

**MORS 470 Negotiations**  
**Professor Leigh Thompson**  
**Fall, 2008**

**Instructor:**

Dr. Leigh Thompson

**Office hours:** I am usually in the classroom 30 minutes prior to the start of class, and I am happy to stay after class to talk to you as well. If those times don't work, we can find another time.

**Course Goals & Objectives**

The purpose of this course is to understand the theory and processes of negotiation so that you can negotiate successfully in a variety of settings. The course is designed to be relevant to the broad spectrum of negotiation problems faced by business people. If you take advantage of everything this course has to offer, you will be comfortable and adept in many of your future negotiations. Because almost everyone negotiates all the time, this course is relevant to students in all areas of management.

This course is designed to complement the technical and diagnostic skills learned in the other courses at Kellogg. A basic premise is that the manager needs analytic skills as well as interpersonal skills to effectively negotiate. The course will allow students the opportunity to develop these skills experientially and to understand negotiation in useful analytical frameworks.

The following is a partial list of course objectives:

- improve your ability to negotiate effectively
- analyze negotiation situations
- develop a strategic plan for effective negotiation
- gain an intellectual understanding of negotiator behavior
- gain confidence as a negotiator

**Teaching & Learning Format**

The heart of the course is a series of negotiation exercises. These are framed and analyzed in terms of readings, lectures, and in-depth class discussions. The course is based upon a 3-part model of learning:

1. *Experiential Learning*: Each week, students will engage in an exercise-simulation pertaining to a key aspect of negotiation.
2. *Feedback & Self-Examination*: Each week, the instructor will lead a discussion that involves analyzing students' performance. And, on several occasions, students will receive feedback on their negotiation performance, preparation, and style.
3. *Applied Learning*: Each week, the professor will introduce a theory or model and

students will be encouraged to apply the model to: (1) the analysis of their own negotiation performance in class; (2) their out-of-class negotiation teams; (3) their professional negotiations (e.g., house-buying); and (4) their personal negotiations (e.g., negotiating with friends, partners, spouses, children, etc.).

### **Attendance Policy**

MORS 470 has an attendance policy that is strictly enforced. You are expected to participate in all negotiation exercises. If you:

- fail to participate in more than one exercise,
- arrive after 5 minutes of the beginning of class,
- are unprepared,
- or are not present to obtain case assignments for the next class...

you will be penalized one letter grade on your final course grade. Participation includes full preparation for exercises. Lack of preparation for an exercise will be treated like an absence for that exercise. If you fail to inform me of your absence in advance of class (by 48 hours via written email (preferred) or phone (as second measure), you will lose an additional letter grade. **It is not permitted to attend other sections of the course for any reason.**

Each student is allowed to miss one class without penalty, assuming that the instructor has been notified in advance (48 hours). If you will be absent or unprepared for an exercise, you must notify me. Failure to notify doubles the penalty. Thus, if you do not show up for class, the penalty is doubled.

Serious medical excuses and deaths in the immediate family are the only acceptable excuses for missing an exercise, and even in these cases, appropriate prior notification is necessary. Medical excuses must be accompanied by a note from your doctor. No student will be allowed to miss the first class, under any condition.

If you are not in attendance when a role assignment for a case or exercise is distributed, you/your intelligent agent must make your own arrangements to get this material. There is no courier or mailbox service. (see "professionalism")

### **Reading Assignments**

The required reading for this course is:

1. Thompson, L. (2005). *The Mind & Heart of the Negotiator*. Upper Saddle River, New Jersey: Prentice Hall. 3<sup>rd</sup> edition. [also referred to as M&H]  
(Please note that the 3rd edition DOES INDEED differ from the previous editions!!)
2. Case packet of readings (available from bookstore). [referred to as CP]  
(The case packet is expensive; it contains the permissions and fees that are required to purchase the exercises for the course)

### **Research and Intellectual capital**

The Dispute Resolution Research Center (DRRC) has been instrumental in supporting Kellogg's reputation as one of the premier institutions for negotiations. Just as prior Kellogg students have had the opportunity to contribute to your learning by being willing to share their negotiation processes and outcomes, we are asking you to also contribute to the experiences of future students.

We are systematically compiling aggregated data from 470 course participants. These data will allow you to benchmark your own behaviors and skills with those of others. We will use the aggregated data to further our understanding of negotiation.

Before and after each negotiation, we will often ask you to complete confidential questionnaires. The information you provide is confidential. If you do not want your responses used for research purposes, please inform the instructor. By participating in new research projects, you contribute to the experiences of future students.

### **Grading**

There are 6 components of grading:

#### **1. Professionalism (5%):**

You are expected to conduct yourselves in a professional manner, as in any business setting. Important aspects of professionalism include:

- i. *Appropriate use of laptop computers.* You are expected to bring your laptop to every class (as we may conduct on-line surveys following exercises). You may take notes using your laptop, but you may not open up your email function or internet function during class unless it is instructed to do so for the purpose of the class. All of the following will be considered violations: email; preparing for another class; web surfing; shopping, etc. This policy will be strictly enforced.
- ii. *Appropriate use of cell phones.* It is best to not bring your cell phone to class. All cell phones turned off at all times. Any ringing from your cell phone will seriously imperil your professionalism grade.
- iii. *Arriving to class on time.* If you are more than 5 minutes late, you are treated as absent.
- iv. *Preparing for class.* If you are not prepared for the case, you are treated as absent. It is your responsibility to get the case before the class session. We do not provide "courier" service, so don't ask for it unless you want your grade lowered. Rather, you need to arrange for a friend to pick up your case for you the week you are absent.
- v. *Refrain from complaining* or whining about projects, workload, and due dates.
- vi. *Engaging in ethical behavior*, which means that you do not ask the professor to make "special exceptions" (i.e., bend the course rules) for you.
- vii. *Respect others' time:* please do not ask questions which are readily answerable via the course syllabus/web site. If you have a question about something on the syllabus/website after the first day of class, please approach me about it before or after class.

## 2. Performance on Negotiation exercise (5%)

You will be evaluated on your in-class negotiation performance on quantitative exercises. You will only be compared to others in the same role (e.g., buyers will only be compared to buyers, etc.). And, I will delete your lowest performance grade.

## 3. Completion of weekly pre- and post-exercise prep sheets & on-line surveys (5%):

The key aspect that sets coursework apart from naive experience is the opportunity to engage in meaningful planning, and reflection. To this end, you will be expected to complete "pre-negotiation" analyses and "post-negotiation" diagnoses for some of the in-class exercises. (Many of these will be online web surveys). The instructor will provide aggregated feedback on your analyses/diagnoses during the class session in which that negotiation is discussed. The feedback will be such that each student's responses to these surveys will be completely confidential. Grading is very simple: You receive full credit for completing all surveys on time. Your grade will be lowered if you fail to complete them on-time. No exceptions.

## 4. Journaling Assignment (10%):

There is one outside-of-class, short journal report. It essentially asks you to describe an actual, personal negotiation experience that you undertook during this course (NOT BEFORE!). (See syllabus for due-date and be sure to download the word documents from the "ASSIGNMENTS" button that describe instructions, page length, grading, etc. for this project).

## 5. Midterm Exam (40%):

There will be an exam during week 6 of the quarter that will cover all lectures, PowerPoint, handouts, discussions, and readings up to that point.

## 6. Out-of-Class Labor-Management (ABC) negotiation (35%)

You will participate in a simulated labor-management negotiation outside of the class. You will be assigned to a team (either labor or management). There will be 3 rounds (or phases) of the negotiation. There are two key deliverables

**6a. Scoring system for Round 1 ABC negotiation (10%):** Prior to the first negotiation round, you will need to: read the case, meet with your teammates, and prepare a scoring system. (*Hint: read the Raiffa article and read the case*).

**6b. Final case analysis (25%):** At the conclusion of the 3 negotiation phases, you will prepare a final report analyzing your negotiation. You will prepare a final report with your own team (i.e., either labor or management). You will receive detailed information regarding the goals and grading criteria. The final report will allow you the opportunity to integrate the concepts you have learned in the readings and lectures and to apply them to a "real world" negotiation. (*Note: the due date is Tuesday, 4pm of finals week*).

| Week | Date               | Negotiation Exercise     | Lecture Topic           | Deliverables                                                                                                                                                                                                                                                                                                                                                      |
|------|--------------------|--------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1    | Monday, Sept 22    | Energetics meets Generex | Introduction & Overview | <ul style="list-style-type: none"> <li>Read M&amp;H ch 1<br/><a href="http://www.leighthompson.com/books/MindandHeart_3e/chapter1.htm">http://www.leighthompson.com/books/MindandHeart_3e/chapter1.htm</a></li> <li>Complete the “Team member survey” in the assignments button and submit by end of class, today.</li> </ul>                                     |
| 2    | Monday, Sept 29    | OmniChart                |                         | <ul style="list-style-type: none"> <li>Receive and prepare for the case in class</li> <li>Read M&amp;H, ch 2,3</li> <li>Pick up ABC round #1 case information &amp; ABC team assignments before leaving class</li> <li>Read CP: Raiffa (“tradeoffs and concessions”) to prepare for ABC round #1</li> </ul>                                                       |
| 3    | Monday, Oct 6      | Star                     |                         | <ul style="list-style-type: none"> <li>Receive and prepare for case in class</li> <li>Read M&amp;H, ch 6,7 &amp; appendix 2</li> <li>Pick up case for next week’s negotiation and prepare outside of class</li> </ul>                                                                                                                                             |
| 4    | Monday, Oct 13     | WineMaster               |                         | <ul style="list-style-type: none"> <li>You should have prepared for case before coming to class!</li> <li>You may be assigned a negotiation partner</li> <li>Read M&amp;H, ch 4,8, &amp; appendix 1</li> <li>DUE: ABC round #1 homework and results of round #1 negotiations</li> <li>Pick up ABC round #2 case information today before leaving class</li> </ul> |
| 5    | Monday, October 20 | Viking Investments       |                         | <ul style="list-style-type: none"> <li>You should have prepared for case before coming to class!</li> <li>You will be assigned a negotiation partner</li> <li>Read M&amp;H, ch 5</li> <li>Read CP article, Galinsky &amp; Liljenquist, “<i>Putting on the pressure</i>”</li> </ul>                                                                                |

|    |                   |                                 |  |                                                                                                                                                                                                                                                                                                                                            |
|----|-------------------|---------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6  | Monday,<br>Oct 27 | Midterm<br>exam                 |  | <ul style="list-style-type: none"> <li>• <b>Midterm exam</b></li> </ul>                                                                                                                                                                                                                                                                    |
| 7  | Monday,<br>Nov 3  | Bullard<br>Houses               |  | <ul style="list-style-type: none"> <li>• Receive and prepare for case in class</li> <li>• Read M&amp;H, ch 9</li> <li>• DUE: ABC round #2 results</li> <li>• Pick up ABC round #3 case information today before leaving class</li> </ul>                                                                                                   |
| 8  | Monday,<br>Nov 10 | Federated<br>Science<br>Fund    |  | <ul style="list-style-type: none"> <li>• Receive and prepare for case in class</li> <li>• Pick up case for next week's negotiation and prepare outside of class</li> </ul>                                                                                                                                                                 |
| 9  | Monday,<br>Nov 17 | Buying a<br>House               |  | <ul style="list-style-type: none"> <li>• You should have prepared for <i>Buying a House</i> negotiation before coming to class</li> <li>• Bring your cell phone, laptop, and/or blackberry to use to communicate with your agent-principal</li> <li>• Read M&amp;H, ch 12 &amp; appendix 3</li> <li>• DUE: ABC round #3 results</li> </ul> |
| 10 | Monday,<br>Dec 1  | Film Day &<br>Course wrap<br>up |  | <ul style="list-style-type: none"> <li>• Film today (100 min) and discussion of ABC-Local 190 case</li> <li>• This is only showing of film that is relevant to your out-of-class labor-management negotiation (ABC)</li> <li>• Due: Journaling project is due today</li> </ul>                                                             |
| 11 | Tuesday,<br>Dec 9 | Finals week                     |  | <ul style="list-style-type: none"> <li>• Final group projects due today by 12 noon</li> </ul>                                                                                                                                                                                                                                              |