

Negotiation, Persuasion & Social Influence: Theory and Practice
WWS 519a/b
Fall Term, 2004-2005

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Course Objectives

This course introduces students to the theory and practice of negotiation. The ability to negotiate successfully rests on a combination of analytical and interpersonal skills.

- Analysis is important because negotiators cannot develop promising strategies without a deep understanding of the context of the situation, the structure of the negotiation, the interests of the other party, the opportunities and barriers to creating and claiming value on a sustainable basis, and the range of possible moves and countermoves, both at and away from the bargaining table.
- Interpersonal skills are important because negotiation is essentially a process of communication, relationship and trust building (or breaking) and mutual persuasion.

We will develop a set of conceptual frameworks that should help you better analyze negotiations in general and prepare more effectively for future negotiations in which you may be involved. Through participation in negotiation simulations, you will have the opportunity to exercise your powers of communication and persuasion, and to experiment with a variety of negotiation tactics and strategies. Through analysis of case studies and discussion of articles on negotiation analysis, you will apply the lessons learned to ongoing, real-world negotiations.

Content and Organization

The course builds cumulatively from simple negotiations to those of greater complexity—that is, starting with two-party, single-issue, one-shot cases and building towards multi-party, multi-issue negotiations that evolve over time. Structured negotiation exercises are used to isolate and emphasize specific analytic points and essential skills. Cases and readings serve to integrate the analytic points as well as to develop intuition about more complex real-world negotiations.

- Section 1: Fundamentals of negotiation analysis
 - Understand the components of the negotiation “game”—structure, context and people
 - Basics of claiming value: distributive negotiations
 - Strategic moves: anchoring, opening offers, counter-offers and commitments
- Section 2: Negotiator’s Dilemma

- Tension between cooperative moves to create value and competitive moves to claim it
- Understand how to “enlarge” the pie through trades on priorities or risk: integrative negotiations
- Section 3: Management of multi-party, multi-level negotiations
 - Internal-external negotiations
 - Negotiating among many interdependent and linked sets of stakeholder groups
 - Coalitional analysis
 - Management of ongoing relationships
- Section 4: Bargaining Impasses: Entrepreneurial Moves to Change the Game
 - Barriers to agreement: partisan perceptions, mistrust, anger, misperceptions
 - Cultural differences
 - Bringing in help: Third parties

The Power of Context and Cross-Cutting Issues: Culture, Gender, Personal Style and Persuasion Techniques

Throughout the course, I will constantly ask about the role of **context** in negotiation and how it affects analysis and practice. For example, it may make a difference whether a negotiation involves a public with whom the negotiators are responsible to as compared to private actors with no such restrictions. Does it matter whether the negotiation takes place in the sphere of labor-management relations or international politics or whether the negotiation context is seen as a “deal” or a “dispute?”

Moreover, with a diverse group of students who will be negotiating with a diverse group of people over the course of their careers (and in other aspects of their lives), we will also discuss how culture and gender affects negotiations. With regard to gender, rather than having one class devoted to gender, I will bring in relevant readings and findings throughout the course—how men and women view negotiations, start negotiations and perform depending on their roles.

Culture adds an additional level of complexity to negotiations. While we will discuss how culture differences may affect negotiations throughout the course, we will spend one class exploring how different cultural norms increases misperceptions and makes it difficult for parties to coordinate on how to play the negotiation game.

Simulation Exercises

The simulation exercises draw from a wide variety of contexts and their aim is to provide concepts and tools that apply to all types of negotiations, ranging from domestic labor disputes to international security problems. I hope that you will learn a great deal about yourself from repeated exposure to situations that involve a shifting mix of cooperation and competition as well as important ethical choices. As a result, your negotiating effectiveness should increase significantly. Overall, I hope that you will finish the course

a more reflective, analytically savvy, effective and, in all senses of the term, good negotiator.

About two hours of each week's class time and much of the work done between meetings will be devoted largely to in-class negotiation exercises, and to discussions of those exercises. Experience with this course makes it quite clear that students learn the most from their personal role-playing experiences of negotiating, and from opportunities to discuss these experiences in detailed debriefing sessions. This experiential learning is supplemented by a set of conceptual and analytic tools, which will be provided by brief lectures and focused readings.

Although artificial in the sense that they are simulations, students do find that the exercises are highly involving and that they translate well into real life situations. This may be your only opportunity to practice your negotiation skills, and to learn from your failures, without paying a high price in actual outcomes. Gaining maximum benefit from the exercises does require public discussion of your experiences, your reflections and your outcomes, so all students should be prepared to engage in frank class discussions.

Many of the exercises include confidential instructions. **Do not show these confidential instructions to others.** You may choose to discuss or reveal some of their content—indeed, communicating your interests clearly is essential to effective negotiation—but you must not physically show others your actual confidential instruction sheets. This rule largely mirrors reality since it is rarely possible in most negotiation situations to reveal your real underlying values and information to your negotiating counterparts.

The instructions for the exercises are designed to be self-explanatory. **Please follow the instructions carefully.** If the instructions fix the set of issues to be negotiated, **do not invent new ones** as part of a reported agreement; this will distract from the intended focus of the exercise as well as make scoring and comparisons hopelessly complicated. The class functions far more effectively when we all cooperate in observing this rule.

Though most of the negotiation exercises are extreme simplifications of reality, they are intended to isolate and illuminate particular aspects that do arise in real negotiation situations. We urge you to take the exercises seriously, to prepare carefully and participate energetically. For those exercises that have fixed numerical scoring systems, you should take the scores as representative of your true interests and try to do as well as you can, subject to whatever considerations of responsibility and ethics you expect would shape your behavior in a similar real-world negotiation. For those exercises without numerical scoring systems, you should think hard about what you would care about, and what trade-offs you would be willing to make, in specified situations.

Some students may feel uncomfortable trying to out-guess or outwit other class members, but past students have overwhelmingly found the experience rewarding—a low-risk chance to try different negotiating approaches. To the extent that your wits and emotions are engaged in the exercises, they will help you become more aware and effective

negotiators. As with a tennis match among friends, it does more for your game—and is more fun—to play vigorously and intelligently while on the court.

Objectives in the Negotiation Exercises

What is it that you should be trying to accomplish in these negotiation exercises? In general, your aim is not to do “better” than the player with whom you are playing; “better” is often meaningless in games that are not strictly competitive and where you and your counterpart start in very asymmetric situations. Your aim is not to maximize your probability of winning—even if winning makes sense in a particular game. Rather, you should be concerned with your own payoff measured in terms of your own scoring. The best practical advice: try to maximize your expected payoffs by focusing both on the size of your possible payoffs associated with alternative strategies and the probabilities of achieving them. Try not to be risk-averse or risk prone, but focus on maximizing the expected value of your score.

Grading

Participation:

This component includes participation in assigned negotiation exercises, and the quality of your contribution to class discussion. Comments that synthesize course readings with experiences in the simulations are particularly valuable. You will have an opportunity at the end of the semester to identify other students who made particularly valuable contributions to your learning.

NOTE ON PARTICIPATION IN EXERCISES: If you cannot participate in a particular negotiation exercise, please let me know ASAP. If, after being assigned a role, you learn that you will be unable to participate, you must inform me as soon as possible so I can reassign your partners. **Participating in all assigned negotiation exercises is a component of your grade. In particular, failing to participate in exercises without notice, except in cases of a true emergency, will be penalized severely as failing to participate not only affects your learning, but the learning of your classmates.**

Short Individual Writing Assignments:

You are responsible for **THREE** short (2-4 double-spaced pages) written reflections after three negotiation exercises of your choice. These should synthesize and reflect on your experience in the exercise, and on the related class discussion and readings. Point form is acceptable, as long as your thoughts are clearly understandable. Each assignment is due by the start of class on the Tuesday following the negotiation exercise you have chosen.

These exercises are vehicles for you to synthesize, cumulatively, the lessons you want to retain from your experience and reflection. As such, there is no fixed model for them. One useful way to think about them is to identify the most valuable lessons you would

want to review before undertaking a similar negotiation in the future. Because the format is very short, you must be selective. In particular, these papers should **NOT** be mechanical repetitions of material from the class and readings, not “blow-by-blow” accounts of your negotiation without assessment or insight.

In deciding what to include in one of these assignments, you should consider the following: a) aspects of your preparation or negotiating with which you were pleased or displeased, and how you would now approach such situations differently; b) unexpected approaches by others that you saw in your negotiation or learned of in class discussion or conversations, and how you might deal with them; and c) concepts from the course that seem particularly helpful in understanding this negotiation.

Final Paper:

The detailed negotiation briefing memo will be directed to representatives of opposing sides of a current or upcoming complex multi-party, multi-issue, multi-level negotiation. The negotiation chosen may be one students have personal knowledge or, one drawn from the public sphere. In either case, the negotiation must be suitably complex, difficult, and of sufficiently high stakes to warrant serious analysis. In the memo, students will analyze the goals, interests, alternatives, and options of key stakeholders to the negotiation and write detailed action recommendations for the opposing parties. Memos should recommend an overall negotiation strategy, opening moves and concessions, possible commitments and the nature of future communications and collaborative problem-solving.

The paper should be fifteen to twenty double-spaced pages.

Readings and Schedule

Note: Two additional dates

- Movie night: *Final Offer*. A compelling documentary on the UAW-GM negotiations. I wanted to include it in the course, but there just wasn't enough room. So we'll have an *optional* movie night for those who are interested. Date: TBD
- **Capstone Exercise: December 3rd or 4th. Save the Date NOW!!!** Do not take this course if you cannot save these dates. This is a required component of the class.

Books:

Fisher, R., Ury, W., & Patton, B. (1981) *Getting to Yes*

Raiffa, H. (1982). *The Art and Science of Negotiation*. Cambridge, MA: Belknap.

Course Pack: Information on where to purchase TBA

Week 1
Overview

Thursday, September 9

Readings:

McGinn, K. "Playing it By Ear," HBS Publication N0311B

Wheeler, M. "Presence of Mind," HBS Publication #9-903-009

Week 2
Negotiation Analysis

Tuesday, September 14

Exercise: Coffee Contract

Readings:

Babcock, L. & Laschever, S. (2003). Introduction. *Women Don't Ask*. Princeton: Princeton University Press.

Wheeler, M. "Negotiation Analysis: An Introduction," HBS Publication #9-801-156

Thursday, September 16

No Class: Rosh Hashanah

Week 3
What's the size of the pie?

Tuesday, September 21

Exercise: Leckenby

Readings:

Raiffa, Chapter 6

Rubin, Pruitt & Kim (1994) *Social Conflict*, Pp. 62-67, 110-126

Thursday, September 23

Exercise: Sally Soprano

Readings:

Fisher, Ury & Patton, *Getting to Yes*

Week 4
Creating Value

Tuesday, September 28

Exercise: Pacific Sentinel

Thursday, September 30

Readings:

Raiffa, Chapters 10 & 11

Week 5
What are my priorities?
Developing your own scoring system

Tuesday, October 5

Exercise: Abhas Bassan

Thursday, October 7

Readings:

Allred, K. (2000). "Distinguishing Best and Strategic Practices: A Framework for Managing the Dilemma between Claiming and Creating Value," *Negotiation Journal*, pp. 387-397.

Raiffa, Chapter 14

Week 6
Dealing with Risk

Tuesday, October 12

Exercise: Moms.com

Thursday, October 14

Bazerman, M & Gillepsie, J. "Betting on the Future: Dealing with Contingent Contracts."

HBS Publication: 99501

Raiffa, Chapter 13

Week 7
Maintaining and Enhancing On-going Relationships

Tuesday, October 19

Exercise: Oil-pricing

Thursday, October 21

Readings:

Allred, K. "The High Cost of Low Trust" HBS Publication: N0406A

Bohnet, I. "The Payoff of Trust." HBS Publication: N0407D

Week 8
Internal-External Negotiations

Tuesday, November 2

Exercise: Edgewood Electric

Thursday, November 4

Lax, D. & Sebenius, J (1986). *The Manager as Negotiator*. Chapters 15 & 17. New York: Free Press.

Putnam, R. (1998). "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization*, pp. 427-460.

Week 9

Coalitional Analysis/Multi-party

Tuesday, November 9

Exercise: Four-Way Organization

Readings:

Raiffa, Chapter 17

Watkins, M. and Rosegrant, S. (1996). "Sources of Power in Coalition Building," *Negotiation Journal*, pp. 47-68.

Thursday, November 11

Exercise: Harboco

Week 10

Multi-party/ Cross-culture

Tuesday, November 16

Sebenius, J. "Mapping Backwards: Negotiating the Right Sequence," HBS Publication #N0406B

Watkins, M and Rosegrant, S. "The Gulf Crisis: Building a Coalition for War," KSG Case #1264.0.

Thursday, November 18

Exercise: Mouse

Week 11

Cross-culture

Tuesday, November 23

Kahane, D. (2003) "Dispute Resolution and the Politics of Cultural Generalization," *Negotiation Journal*, pp. 5-27.

Sebenius, J. "The Hidden Challenge of Cross-Border Negotiations" HBS Publication: R0203F

Week 12

Critical Moments: Breakdown, Impasse and Turning Points in High Stakes Negotiation

Tuesday, November 30

Movie: Shattered Dreams

Thursday, December 2

Readings:

Malley, R. & Agha, H. "Camp David: The tragedy of errors," *The New York Review of Books*, Aug 9, 2001, pp. 59-65.

Mnookin, R. and Ross, L. "Introduction," Chapter 1, *Barriers to Conflict Resolution*, Arrow et al. (Eds.), Norton, 1995, pp. 2-24.

Wheeler, M. and Morris, G. "A note on the Critical Moments in Negotiation," HBS Publication #9-902-163.

Friday Afternoon or Saturday (December 3rd or 4th): Capstone Exercise—Bellicoso

Week 13
Third party Facilitation

Tuesday, December 7

Readings:

TBD

Thursday, December 9

Wrap Up