OVERVIEW

This is the syllabus I distributed to students in negotiation course I taught in Harvard Business School's MBA program, the second semester of the 2014-15 academic year.

Negotiation is a second year elective at HBS. As with all other sections, enrollment was capped at 60 students. The syllabus describes the design, contents, and requirements for the course. Though it covers basic analytic concepts and techniques presented in other sections, it differs in its emphasis on negotiation dynamics and the need for strategic flexibility and moment-to-moment agility.

Negotiation teachers and trainers are welcome to use any of the ideas expressed in this syllabus. While attribution would be appreciated, it is not required. Many of the cases and simulations noted in the syllabus are available from Harvard Business Publishing. Some other materials are available on my personal site: www.negotiation3-0.com. My blog on LinkedIn's Influencer platform comments on contemporary negotiation issues and cases. It may spark ideas for developing new course materials (or perhaps, final examination questions).

Perhaps most important is my new iOS Negotiation 360 app. Its interactive features are based on cutting edge theory and proven best practices. Version 1.2 is now available.

- Negotiation360™ generates a personalized Profile of your relational and problem-solving skills, highlighting strengths you can build on and other areas where you can improve.
- Its Scorecard feature prompts you to rate your performance in all your negotiations, large and small, enabling you to learn the right lessons from your own experience.
- My Best Practices helps you prepare for upcoming negotiations. The more you use it, the more powerful it becomes.

A web-based version for classroom use will be available early in 2016.

Feel free to contact me if you have any questions about this syllabus or teaching negotiation more generally.

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NEGOTIATION
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Y-Schedule 10:05-11:25

Hawes 203

Syllabus and Course Outline

Version 4.0

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"For every complex problem, there is a solution that is clear, simple, and wrong." H.L. Mencken

I. Course overview: Executive summary.

This syllabus serves two purposes. One is helping prospective students make informed choices about course selection. Just as important, it provides a roadmap for students to follow the development of themes and connections among topics throughout the semester.

This elective covers much of the same territory as other Negotiation sections offered by the NOM unit. Like them it presents core analytic and behavioral concepts. It similarly defines negotiation broadly. It covers familiar transactions (like buying and selling property, for instance, and settling legal disputes), but it also encompasses any situation where one needs other parties' assent, cooperation, or support to accomplish one's own goals.

Like the other negotiation courses in the EC portfolio, however, it has its own particular emphasis and perspective. The focus here will be on the dynamic nature of the negotiation process. Strategic agility and interpersonal improvisation will be key themes. (You will see more about this in the section on "complexity" on the next page.) This element both builds upon and, to a degree, challenges conventional models. It also offers alternative ways of understanding and successfully carrying out difficult negotiations.

The course has evolved over the years and has been well received by most students, but its unusual content and format aren't right for everyone. Although we will read and analyze some traditional HBS cases, most of the learning will be experiential. There will be several major negotiation simulations, for example, as well as frequent in-class exercises. Each student will construct a Workbook to record and assess his or her performance in these exercises. There also will be self-assessment instruments to spark reflection about personal strengths and short-comings in areas like emotional intelligence. Acknowledging weaknesses is not always comfortable, though it is a necessary first step toward addressing them constructively.

Because we will emphasize the importance of agility and improvisation in negotiation, we will delve into realms that may at first seem far removed from the business world, including military strategy, complexity theory, history, jazz, and psychoanalysis. Many students find this a welcome change of pace, especially in their second year. It necessarily means, however, that at some point almost everyone will encounter concept and techniques that at first may seem odd and hard to grasp.

Thus, for better or worse, this course differs from many other second year electives. Read the full syllabus carefully so that you can decide if it is really for you. As with all other EC courses, what you learn from it ultimately depends on your own investment in careful preparation and active participation. In addition, it requires curiosity and a willingness to explore novel ideas. The materials for the first class include a separate note on the rewards and challenges in learning to become a more effective negotiator.

II. Course objectives.

Managers who can forge consensus in complex situations generate significant value for their organizations, their communities, and for themselves. Thus the objectives of this course include:

1. Introducing students to the fundamental aspects of negotiation analysis and social behavior so that they can successfully craft and implement strategy;
2. Deepening students' understanding of negotiation as a dynamic process in which the interests, walk-aways, and even values of the parties often evolve significantly;

3. Sharpening students' analytic and interpersonal skills in unstructured situations where one's ability to learn, adapt, and persuade on the fly are essential for success;
4. Enhancing students' awareness of the overlapping—and sometimes conflicting—roles of a manager in negotiation (for example, where one may simultaneously be acting as an agent, principal, and de facto mediator); and
5. Challenging and expanding students' thinking by offering models and metaphors from a range of fields and disciplines.

We will examine cases drawn from a variety of contemporary contexts—including real estate development, lawsuit settlement, sales, labor relations, diplomacy, and the arts, as well as everyday transactions. Some examples are contemporary. Others go back decades. One case dates from the American Civil War. Students will also take part in a series of simulations and exercises that illustrate negotiation dynamics on multiple levels. There will be guest presenters, as well.

The course is unconventional in respect both to the theory that it advances and the eclectic range of material it covers. Ultimately students must use their own good judgment about which ideas proved useful, which others may be intriguing but not especially relevant, and what notions are just plain wrong.

III. Complexity and negotiation dynamics

Complexity has a distinctive meaning in this course. Specifically, it refers to the dynamic, interactive nature of the negotiation process. Complexity in this sense requires a strategic outlook that is focused on continual cycles of learning, influencing, and adapting as events unfold. Tactically, it rewards the ability to improvise moment-to-moment so that unexpected opportunities can be seized and unanticipated perils minimized.

Conventional negotiation theory offers little guidance in either regard. One of the bestselling texts, for example, advises, "Separate the people from the problem." Depersonalizing the issues and seeing matters from other people's points of view is sage advice, but what happens when people themselves *are* the problem? Emotional awareness and presence of mind are priceless assets in negotiation, especially in high stakes situations. This course therefore emphasizes emotional intelligence.

Take another familiar prescription: "Work from interests, not positions." As we'll see, this advice can unlock seemingly intractable disputes and transform zero-sum battles into opportunities for mutual gain. It only can take us so far, however. That's because it presumes that people fully know their own interests and, further, that those interests are static. Yet that's seldom true in the real world. How, then, should we craft strategy for the early, exploratory stages of negotiation or for dynamic situations where important contextual factors are likely to change? And how can we rigorously weigh costs and benefits if we recognize that our own priorities may be influenced by our interactions with the other key players?

Or consider a third axiom: "Improve your BATNA" (that is, your no-deal option). Strengthening your nonagreement alternatives—and communicating that fact credibly—can yield positive results. But often parties have no clean walk-away options, and hence are basically bound together. (This is often true in negotiations with colleagues within an organization.) Strategy and tactics must take on a very different tone in such circumstances.

Even seemingly simple negotiations can be complex once we acknowledge the impact of tangled relationships, high emotion, and shifting interests, not to mention the constant risk of miscommunication. Thus, one of conceptual cornerstones of the course is Robert Axelrod's observation:

> "In complex environments, individuals are not fully able to analyze the situation and calculate their optimal strategy. Instead they can be expected to adapt their strategy over time based upon what has been effective and what has not."[1]

In short, we will explore negotiation dynamics and see how the capacity to learn and adapt is key to success. We will give particular attention to what constitutes effective learning in an ever-changing negotiation context.

One aim of the course is providing a more sophisticated map of the negotiation terrain. Understanding the nature and implications of complexity is valuable on several levels. First, it schools us against *mis*applying common rules and precepts. Just as military leaders are often warned against "fighting the last war," negotiators likewise must carefully chart out unique features of the transactions they enter. Otherwise their strategy and tactics are unlikely to fit the situation at hand.

Second, complexity theory connects small interactions with the unfolding of larger processes. By looking hard at key moments in negotiation—openings and closings, for example—we will identify specific ways in which one can better resolve the "negotiator's dilemma" of simultaneously creating and capturing value.

Third, being alert to complexity deepens our awareness of the real richness of the negotiation process and the full set of insights and skills it demands. Complexity, after all, is a matter of both degree and perception. Examining cases in which complexity is conspicuous also helps us recognize that it is also significant in more commonplace transactions.

IV. Course organization, content, and grading

The course is built around four modules that together present a multi-faceted model of negotiation.

- **I. Negotiation analysis.** A series of cases, simulations, and exercises will illustrate important structural factors in negotiation (the number of issues, number of parties, etc.) We will also consider sequencing in nested negotiations, such as land assembly where many small deals must be pulled together into a larger project. We will draw insights from micro-economics and game theory, as well as cognitive and social psychology. Race and gender in automobile sales will be a topic in one session. The contrast between deal-making and dispute resolution will be the focus of another.
- **II. Dynamic strategy.** With that traditional analysis as a foundation, we will dig more deeply into negotiation dynamics. We will look, for example, at simultaneous negotiations (for example, where you are shopping for a car at several dealerships). In such situations, there is no bird in the hand. Instead, your BATNA (your walk-away) in one transaction is the uncertain prospect of reaching a better deal in another one. We will give special attention to situations demanding a negotiation strategy that evolves and adapts in the face of new information and conditions. Insights will be drawn from military strategy, decision theory, and other domains.
- **III. Agility.** Here our focus will shift from overall strategy to tactics and interpersonal behavior (though we will see that strategy and tactics must always be thoughtfully linked). We will consider techniques that negotiators can successfully borrow from jazz and improv theater, for example. We will also explore the importance of openings and critical moments in negotiation. Students will be able to compare their own performance in a negotiation simulation with that of videotaped

[1] Axelrod, *The Complexity of Cooperation: Agent-Based Models of Competition and Collaboration*, Princeton University Press (1997), p. 14.

professionals. A series of self-assessment exercises encourage reflection and help students sharpen their learning skills.

- **IV. Mastery: Values and vision.** The final four sessions of the course integrate many of the themes and issues that are introduced in the earlier modules. The challenge of measuring success in negotiation will be explored, as will difficult ethical questions.

Grades for Negotiation will be based 40 percent on the take-home final examination and 40 percent on class discussion. The remaining 20 percent will be based on short problem-sets and on-line assignments during the semester. Most of the latter work will likely be judged satisfactory, but exemplary performance will be noted (as will lapses, if there are any). Conscientious preparation and completion of all the negotiation exercises in the course is expected, as well.

As part of this activity, students are required to complete a larger than normal number of short polls, on-line and in class. Some are for class preparation. Others look back across several classes to draw together important themes. Still others are self-assessment tools. Each of these surveys has a particular focus and purpose. Complied together, they constitute a personalized Workbook that will become a central part of your learning experience. It will also be the basis of much of the final examination. (For more information, see **VIII** below.)

As to class discussion, evaluation is inevitably subjective. The following scale is a rough guide to my standards:

+1	advances understanding of the issue under discussion
+2	draws deeper insight by connecting concepts from other cases and discussions
+3	is a really great question
-1	is any statement that begins, “Building on what (fill in anyone’s name) just said . . .”

As a rule of thumb, you should expect to do about 2 hours of focused preparation on average for each class session. The posted assignments will include suggested guidelines on how best to allocate your time. Some of that work will be standard preparation (reading cases, notes, and selected articles). Some will involve preparing for in-class negotiations. In addition, you will need to invest some time each class day in updating your personal Workbook.

There is no paper option for this course, but any student who is interested in pursuing a particular negotiation in depth is encouraged to propose a separate faculty-sponsored research project.

V. Required negotiation exercises

There will be simulations and exercises throughout the course. For these exercises, you will be assigned a role, given confidential instructions, and paired with one or more counterparts. This information will be passed out in class or posted on Canvas (our course platform) in advance of scheduled negotiations.

> Rule number 1. If you absolutely cannot carry out a negotiation exercise, you must notify me and the course administrator (Charlotte Tuminelli / 6-6578 / ctuminelli@hbs.edu) *in writing*, early enough so the pairings can reflect this fact and not leave your counterparts stranded.
>
> Rule number 2. Conscientious preparation and conduct of the negotiation will both maximize your own learning and enable your counterpart to glean the most from the experience. Failure to fully meet that standard is a breach of responsibility to classmates.

In your negotiations, it is up to you how much private role information—if any—to disclose to those with whom you are negotiating. Under no circumstances, however, may you show the actual instruction sheet to anyone else. As a practical matter, this rule largely mirrors reality.

Also, even after we debrief these exercises, please do not discuss them with or around people who aren't in this particular section. Some exercises may be used in other sections of Negotiation at a different point in the semester.

VI. Special note on research

The results of the negotiation exercises and related polls provide rich material for class discussion. These data sometimes may also support research. (To offer a simple example, we can track whether outcomes are really affected by who makes the first offer, or how people variously calculate their "walkaway" alternatives.) Analysis of such data has significantly contributed to the on-going evolution of negotiation theory. Indeed, some of the concepts that you will encounter in this course can be directly traced to learning that took place in prior versions of this elective and in the required first year course.

Regardless of whether these negotiation exercises and polls should be regarded as "experiments" in the formal sense of that word, students should be aware of the potential research use of this data. Only aggregate, statistical information would ever be published. Complete anonymity is guaranteed. No personal information is ever involved.

We hope that you are comfortable with this policy. Nevertheless, if you are not, please contact the course administrator, and she will ensure that your data is always removed from any archived results that might subsequently be used for research.

VII. Materials, assignments, resources, and communication protocols

In addition to the basic course package, various cases and readings will be distributed either through course services in Spangler, on-line, or handed out in class. Assignments, negotiation pairings, and polls will be posted on the course platform or distributed via email. The course will use the Learning Hub as its platform for the first week but then switch over to Canvas for the rest of the semester. It is your responsibility to check the platform the night before class for any last-minute announcements.

When communicating with me electronically, please include **"NEG-MW"** in exactly the quoted format somewhere on the "subject" line on any e-mail you send me. This will enable me to filter your messages as course-related—and thus important to me.

Students who are interested in expanding their negotiation knowledge further are encouraged to explore the resources at the Program on Negotiation (www.pon.harvard.edu). PON is an inter-university consortium, located at the Harvard Law School, which spans all of Harvard, MIT, and Tufts and also includes other nearby schools. Its on-line directory lists more than one hundred negotiation-related courses in the immediate area. (See: http://www.pon.harvard.edu/students/dispute-resolution-directory/boston-area-course-offerings/) PON also sponsors a student interest group and offers frequent lectures and seminars.

VIII. The purpose of your Negotiation Workbook

This course will give you a range of opportunities to test your skills, assess your goals and values, and promote your on-going learning. There are exercises, surveys, self-assessment tools, plus problem sets—all aimed at enhancing your success as a negotiator.

Each of these items has its own specific purpose and value. Full benefit cannot be achieved, however, unless you pause after each experience to reflect on what you have learned about negotiation—and about yourself. Only then can you fully put that new knowledge to work. In the same spirit, the value of the course overall will be maximized by integrating those specific lessons into a broad and coherent approach to negotiation that is personally relevant to you.

The Workbook is designed to support your learning on both those levels. It will allow you to zero in on specific negotiation skills and techniques and also let you zoom out and see how these elements comprise effective strategy. Connecting the various pieces will illuminate underlying patterns in your implicit assumptions and your resulting behavior. You may choose to reinforce some of these familiar habits. Others, you may seek to change. During the semester you'll have opportunities to experiment, at little cost, with different styles and routines. As part of the final examination, you will use your completed Workbook to craft a plan for on-going learning in your professional and personal life.

We are using Canvas as the course platform instead of the Learning Hub, because the latter does not easily allow students to compile work they submit during the semester. Adjusting to the new system will take some time and effort at the outset, but will greatly enrich the course overall.

Students will also have to get accustomed to making entries in their Workbooks for every class. Specifically:

- <u>There will be a required Workbook entry after each class.</u> It must be submitted by 10pm that same evening. For classes falling on the last day of the week, this deadline is extended to 10pm the evening of the next class day, though you are encouraged to complete it as soon as possible while your impressions are still fresh. Submitting an entry should take no more than five minutes.
- <u>Sometimes, though not always, entries will be required before class.</u> Instructions for class will clearly state what is due and when.
- <u>Occasionally, there will be separate Canvas-based polls, a few of which will have to be pasted into the Workbook.</u> (For example, we will use the Canvas polls to collect your results in our major negotiations.) Again, explicit instructions will be stated in the daily assignments.

In sum, the Workbook will serve as the spine of the course by providing structure and connection for its many elements. It will enable you to integrate your experiential learning so that what you gain from the course is significantly more than the sum of its constituent parts.

IX. Tentative schedule of classes, cases, and simulations

I. Negotiation Analysis	
Jan. 27 **Tues.**	1. Course introduction • Ethics and paradoxes of bargaining power
Jan. 29 **Thurs.**	2. Learning, adapting, and influencing as negotiation unfolds • Land Assembly case
Feb. 4 **Weds.**	3. Two-party, single-issue negotiation • Debrief Salt-Harbor simulation
Feb. 5 **Thurs.**	4. Dealing with hard-bargaining and discrimination • Automobile sales
Feb. 6 **Fri.**	5. Multi-issue negotiation • Debrief Riggs-Vericomp simulation
Feb. 11 **Weds.**	6. Deals, disputes, and barriers to agreement • In-class-exercise
Feb. 12 **Thurs.**	7. Alternative dispute resolution • The manager as mediator
Feb. 13 **Fri.**	8. Module I wrap • Building trust
II. Dynamic strategy	
Feb. 19 **Thurs.**	9. Military doctrine and negotiation strategy • Ray Rogers case
Feb. 20 **Fri.**	10. Negotiation dynamics • Analyze *Final Offer* documentary (viewed out of class)
Feb. 25 **Weds.**	11. Crafting strategy for complex cases • Negotiate Windham simulation during class time
Feb 26 **Thurs.**	12. Coping with the fog of negotiation • Debrief Windham
Mar. 4 **Weds.**	13. Dealing with (or acting as) an agent • Negotiate Edgewood simulation during class time
Mar. 5 **Thurs.**	14. Coordinating internal and external negotiations • Debrief Edgewood
Mar. 6 **Fri.**	15. Navigating by sight • Great Negotiator: Ambassador Brahimi
Mar. 11 **Weds.**	16. Building (or blocking) coalitions • Negotiate Deeport simulation during class time
Mar. 12 **Thurs.**	17. Managing multiparty negotiations • Debrief Deeport
Mar. 13 **Thurs.**	18. Module II wrap: Insights and practices • Crafting strategy for a complex world
III. Agility	
Mar. 26 **Thurs.**	19. Listening with your toes • Learning from the jazz masters

Mar. 27 **Fri.**	20. The emotionally intelligent negotiator • Microexpression training
Apr. 1 **Weds.**	21. Dealing with issues of life and death • Ginzel v. Kolcraft liability case
Apr. 2 **Thurs.**	22. Negotiating terms and conditions • Openings and nonverbal communication
Apr. 9 **Thurs.**	23. Critical moments in negotiation • Interpersonal dynamics, being in (or out of) sync
Apr. 10 **Fri.**	24. Module III wrap: Improv in negotiation • Perfecting your moves and turns
IV. Mastery: values and vision	
Apr. 16 **Thurs.**	25. Creative vision and the art of negotiation • Great Negotiators case: Christo and Jeanne-Claude
Apr. 17 **Fri.**	26. Finding your voice • Joshua Chamberlain at Gettysburg
Apr. 23 **Thurs.**	27. Is everything negotiable? • dealing with terrorists
Apr. 24 **Fri.**	28. Course wrap: Defining success • Recognizing the negotiator in the mirror
May 1-7 Exact dates TBD	The exam will be self-scheduled, “take-home” format, to be completed within a two-day window. You will have four hours to complete the exam.