

Syllabus for AREc 475
Negotiation in Business and Resource Management

Instructor: Gregory M. Perry
215 Ballard Extension Hall
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Class Time: F 12:00-1:50 **Office Hours:** Drop ins are welcome anytime

Location: Ballard 118

Course Objective: Negotiation is the art and science of securing agreements between two or more interdependent parties. The purpose of this course is to understand the theory and processes of negotiation as it is practiced in a variety of settings. A basic premise of the course is that while managers need analytic skills to discover optimal solutions to problems, they also need a broad array of negotiation skills in order to get these solutions accepted and implemented. Upon completion of the class, students should recognize the two major negotiating approaches (distributive and integrative), understand the complexities that occur when multiple parties are involved in a negotiation, and have some practice applying the negotiating techniques explained in class.

Prerequisites: None, but students should be in their junior or senior year in college.

Grading: The course grading will be broken down as follows:

- A. Classwork (40%). An exam will be given at the end of class that covers all material discussed in class.
- B. Negotiation homeworks (25%). Students will be given three homeworks representing different kinds of negotiating situations. Each homework is to be completed and turned in at the beginning of the next class. Your grade will be based on your negotiated outcome.
- C. Attendance (15%). The classroom time is spent discussing negotiation techniques, as well as giving students opportunities to participate in simulated negotiation situations and discuss the results. Students earn points for each class they attend.
- D. Other homeworks (20%). See attached handouts.

Required Texts: Roy J. Lewicki, David M. Saunders, Bruce Barry, and John W. Minton. *Essentials of Negotiation*, 4th Edition. Boston: Irwin/McGraw-Hill. 2007.

CLASS SCHEDULE

- Feb 15th Introduction to negotiation; characteristics, conflict and conflict management; framing issues in negotiation.
Reading: Chapter 1, pp. 111-121 in Chapter 5
Homework: Preparing to Negotiate
- Feb 22nd Distributive bargaining; negotiating strategies; hardball tactics and how to deal with them.
Reading: Chapter 2
Homework: McKirdy vs. Rencher
- Feb 29th Integrative bargaining; overview of the process; key stages in the process; facilitating successful integrative bargains, cognitive biases in negotiation
Reading: Chapter 3, pp. 121-131 in Chapter 5
Homework: Salary negotiation
- Mar 7th Bargaining when multiple parties are involved; differences between group and multiparty negotiations; managing multiparty negotiations.
Reading: Chapter 10
Homework: Saving Salmon on Broad River
- Mar 14th Ethics in negotiation;
Reading: Chapter 8
Homework: Real life negotiating experience (see attachment)
- May 8th Final exam, Monday, 6:00-7:00 pm

Attachment

Real Life Negotiating Experience

To complete this exercise you will need to write a report 1-2 pages in length detailing a negotiation situation in which you were personally involved since class started. Please don't write about negotiations you did before the course began or negotiations you prepared for but didn't actually do.

You may write about things from your work or any other part of your life. Please change any names and relevant facts which you need to change to protect the privacy of others and yourself. Make a conscious effort to use the concepts you are learning in the course. My main concern as I review your report will be this question: Does your report work show me that you consciously 'road tested' the ideas and skills we worked on in class? I am not so much concerned with how successful you were in your negotiations but more with whether you intentionally tried out the ideas.

Your report should be organized so as to address the following points.

What happened? Give a succinct, objective description of the key facts.

How it came out/where it now stands. Summarize the outcome, if any, and what, if anything, remains to be settled. If there was no conclusion, say so. Negotiations are often not resolved quickly. Be specific. Don't write "we reached an agreement we were both happy with." Write "we agreed I would pay \$330 for last month's rent and he agreed to let me continue to live in my apartment."

How I felt. Indicate how you felt before, during and after the negotiations were complete.

How my counterpart(s) felt (as nearly as I can tell). Sometimes the other person will tell you how they feel about the negotiation issue, process and outcome, sometimes you can deduce this based on what is said and the mannerisms displayed.

Preparation and approach. You should attach any written plan you prepared before the negotiation.

Ethical Dilemmas. If you feel you faced a significant ethical problem of some kind, briefly describe it. If not, simply say so.

What surprised me. What surprised you about this negotiating experience? Please do not say what you would do differently, and don't write about surprises about the initial situation or the other person's attitude. Focus on what surprised you about the process and the outcome once the matter arose.

Write about a planned negotiation situation (if possible). Although spur-of-the moment negotiations are okay, it will be more valuable to you to write about a negotiation that you planned for. If you find yourself in the midst of a negotiation that comes up without warning, call a time out and come back later when you have had time to think through the situation, your options, and strategies you might employ.

Sometimes it may be a challenge to come up with a serious negotiating situation. Be creative. Is there a problem or an opportunity you'd like to address if you felt more comfortable about your negotiating skills? You may want to use this course as an excuse to address a concern you've been putting off for some time. Here is a list of topics that students often must negotiate about:

- Landlord-tenant rent negotiations
- Deciding where to go for a three-day weekend
- Dealing with a noisy neighbor
- Putting together a party with several friends
- Wedding reception hall booking
- Project team conflicts in another course
- Helping someone deal with a bureaucrat/contractor/salesman
- Going through a job negotiation
- Negotiating for a pay raise, vacation, etc.
- Interdepartmental disputes
- Supply contracts
- Dealing with a problem employee

One way to increase your opportunities to negotiate is to read through a catalog or visit a competing seller and learn their best price. Then, before you buy, go to another seller and negotiate with him or her for the same item. Another useful way to find negotiating opportunities is to review your personal or departmental budget. Each line of the budget may be something you can negotiate about. For example, you might review your monthly living expenses and ask "what could I negotiate here? Is there a way to negotiate about my rent? My meals? My transportation needs?"

Example Negotiating Situation

What happened? My wife and I were flying to Hawaii for a vacation. We arrived at the Eugene airport at 4:00 pm to check in for our flight to San Francisco, which would connect to the flight to Honolulu. When we arrived we learned that the airplane taking us to San Francisco had been delayed and was still on the ground in San Francisco. By the time it arrived in Eugene, refueled and returned to San Francisco, we would miss our flight to Hawaii.

How it came out/where it now stands. I first asked the agent to rebook us on another flight leaving later that night. He checked and found that nothing else was available. He offered to let us fly to San Francisco that night, stay the night (at our expense) and leave on the first flight in the morning to Hawaii. Or we could go home and come back the next morning, catch the early flight to San Francisco, then on to Hawaii. Neither sounded very appealing, as we were packed and ready to go. I recalled from my studies of negotiation techniques that you can sometimes get more concessions out of another party by not responding to their proposal(s). This silence makes them nervous and they will concede something to you without you having to ask for it. So I merely kept silent, pretending to be deep in thought and a bit perturbed about the whole situation. After about 20 seconds, the agent said "How about if we do this. To compensate you for your inconvenience, we'll upgrade you to business class for the flight to Hawaii." I accepted this proposal, we flew to San Francisco for the night, and the next day had a very nice flight to Honolulu.

How I felt. I felt that the airline needed to provide some compensation, I was pleased that this little negotiation technique had extracted quite a nice concession from the agent.

How my counterpart(s) felt (as nearly as I can tell). This seemed to be an acceptable move by the agent, I am sure he is used to providing compensation in similar situations.

Preparation and approach. Really, I didn't prepare for this particular event, it just happened on the spur of the moment. The time spent studying negotiation techniques was really my preparation for this situation.

Ethical Dilemmas. None.

What surprised me. I was surprised at the size of the concession he offered. I expected maybe a free nights lodging in San Francisco, worth maybe \$100. An upgrade for both of us was worth considerably more than that.