
Negotiations

Professor: Gaël Le Mens

Office hours: by appointment, Office 20.2E76

Term: Winter

Course Description

Whether you are trying to get your dream job, sign an agreement with suppliers, conclude a deal with potential customers, raise funds for your entrepreneurial project, or manage conflict with co-workers, your success will depend on your ability to negotiate effectively. By taking this course, you will become a more effective negotiator by learning how to:

- Design negotiated agreements that create maximum value;
- Capture your fair share of the value that is created;
- Think strategically in competitive contexts and achieve deals that others might overlook;
- Avoid common mistakes made by negotiators;
- Achieve superior results in a vast array of competitive environments, including those characterized by uncertainty, conflict, complex issues, intense pressure from competitors, a position of weakness, the participation of multiple parties each with their own agendas;
- Identify, understand, manage, and use your emotions and those of others to achieve desired outcomes;
- Identify, understand, manage, and use your cognitive biases and those of others to achieve desired outcomes;
- Work with people with different cultural backgrounds and values.

Objectives

The course is designed to help you analyze, build and refine your negotiation skills, and to provide an opportunity for achieving the best results at the negotiation table and beyond. Core to the approach is the idea that many interactions which are not 'formal negotiations' can productively be approached as bargaining opportunities.

Methodology

The course is built around a 'learning-by-doing' methodology. In most sessions, you will engage in a negotiation exercise with your classmates in which you will aim for the best possible outcome for you or your teammates. The professor will tally the results, which will allow you to see how well you have performed in comparison to other negotiators. This performance feedback will then provide the basis for a discussion of what approaches work and do not work in the kind of negotiation situation you faced. The course will allow you to practice your analytic skills, your persuasion powers, and will put your emotional intelligence to test. You will be provided with many opportunities to experiment with new behaviours, approaches and ideas.

You will

1. Learn an analytical framework that will help you prepare for and execute negotiations systematically. The backbone of this framework can be used in a wide variety of contexts.
2. Build a negotiation toolkit that to adapt the general framework to particular negotiation situations. You will learn how to create and capture value in negotiation. You will notice that you can use this toolkit even before the trimester ends.
3. Be provided with a learning environment in which you can diagnose your individual skills and in which you can start mitigating your weaknesses leverage your strengths as a negotiator.

The course will be structured in three modules:

1) Module I: Negotiation Fundamentals

In this model we introduce the negotiation framework and start building the toolkit. There is a strong emphasis on simulations and a set of core ideas essential to analyzing negotiation situations.

2) Module II: Irrational Negotiators, Complex Negotiations

We will examine a series of situations in which negotiators are confronting issues of distrust, negative emotions, verbal and emotional aggression, seeming irrationality, and the possibility of serious conflict. Drawing on psychological research, we will examine strategies of influences and analyze how we can adapt the framework and toolkit from Module I to these difficult situations. You will also experience negotiation in complex multi-party settings in which building the right alliances is key to success.

3) Module III: Putting It All Together

Your success in future negotiations will depend on how well you appropriate the framework, toolkit and insights from Modules I and II. We will end the course with sessions that allow us to analyze and practice negotiation in settings that are immediately relevant to what you will do after graduation: job search and raising funds for an entrepreneurial project.

Evaluation criteria

The final grade will include the following components:

1. Negotiation Cases and Participation - 30%
2. Preparation Memos - 30%
3. Final Paper - 40%

1. Negotiation Cases, Participation, Feedback, and Negotiation Challenges (30% of course grade)

Negotiation Cases (10% of course grade). You will negotiate several role-plays that will allow you to develop negotiation skills experientially. Your skill will improve if you are matched with excellent opponents. Similarly, the better negotiator you are the more others will learn. Therefore, I expect all the students to come well-prepared to the classroom. Instructions and role assignments will be sent to you by e-mail a couple of days before the negotiation is to be played. In the exercises, you will receive general instructions for the exercises as well as confidential instructions. **Never** show the confidential instructions to others (before, during and after the negotiation exercise). Do not meet with others in preparing for the negotiation exercises unless you are explicitly asked to do so. You will find more information on Policies regarding negotiation cases below (See Policies, Procedures and Recommendations).

You will be paired with one or more participants for your in-class case negotiations. Any **absence** is likely to cause **substantial inconvenience** and loss of opportunity to others. Your classmates expect you to be fully prepared for each negotiation case. Students are required to attend **all the in-class negotiation sessions** and 80% of classes in general. Failing to do so will have important consequences in your final grade.

To encourage you to experiment with various **different negotiation styles** in a "safe" environment, your negotiated outcomes will only count for 10% of your total grade and you can achieve a top grade even if you don't systematically obtain good negotiation outcomes. Note that your negotiated outcomes will be **publicly posted** so that the class can analyze the relationship between different negotiation strategies and outcomes and learn from everyone's experience.

Participation (10% of course grade). I will strive to create a learning environment that encourages self-reflection and candor. When evaluating your participation in class discussion, I will value quality of insight over quantity. I expect you to articulate general principles and extract prescriptions from your experience in the negotiation exercises. This requires going beyond reporting who did what in the negotiation and instead but rather identifying the underlying dynamics of the negotiation and how it unfolded. Asking good questions will be rewarded as much as providing as good answers. There will be cold calling, mainly for those who are perceived to participate less, even so the right to pass will be respected.

Negotiation Challenges (10% of course grade). You will be asked to complete a series of Negotiation Challenges outside of class. These challenges are designed to transfer the negotiation skills you learn in class to negotiations in your life. They will

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help you overcome your potential fear of negotiating to unlock your negotiator potential. Keep track of your Negotiation Challenges, as you will be asked to present the outcomes and main personal learning points in front of the class on Session 18 (2-3 min presentation).

2) Preparation memos (30% of course grade)

To help you prepare fully for the role you will play in each negotiation, you are required to submit a preparation memo before the beginning of each class (with the exception of the first one).

You or your team (if you are negotiating in a team) should submit your planning document online before class at www.tinyurl.com/gael-negoprep. If you are negotiating as a team, each team member needs to submit their own copy of the planning document. Students often find it useful to bring a personal copy of the preparation memo to class and use it as a reference during their negotiations.

Three of your preparation memos will be chosen at random to grade. Grades on planning documents are based on the extent to which an experienced negotiator could take only your planning document into the negotiation and receive a favorable outcome for you (without having access to the overall instructions). Your grades are based on the extent to which you have thought your strategy out in advance.

The URL www.tinyurl.com/gael-negoprep provides a standard preparation memo template. You are free to complete as much or as little of this template as you see fit. You can submit your own document by attaching it as a pdf if you prefer that option. Memos submitted after the beginning of the class will not be accepted.

3. Final Paper (40% of course grade)

The purpose of the final paper is to provide you an opportunity to synthesize your learning and to assist in fixating the lessons and experiences in long-term memory. It should include critical reflection on your negotiation experience since the beginning of class. The paper should focus on **key learning points across in-class** negotiations, as well as personal negotiations you conducted **outside** of class.

A good reflection paper provides only brief details of the negotiations themselves to illustrate main learning insights and to link them into specific concepts and principles learned from class and readings. Explaining the content of the roles in the cases negotiated in class is not necessary since both you and your professor already know what those roles were. A good negotiation paper makes **overarching** conclusions regarding one's personal tendencies, behavior, strengths, points of **improvement**, and

general negotiation strategies. Specific examples from **in-class** and **out-of-class** negotiations are then used to illustrate these conclusions.

To maximize your learning derived from writing the paper, I encourage you to focus on both outcome of your negotiations as well as **process**, i.e., what happened during the negotiation, how it affected the rest of the negotiation, how it was or was not aligned with what you expected, what was your personal reaction to it, what are possible alternatives to this reaction, what general lessons you can derive from this episode, etc.

Potential questions to consider for the paper include:

- What have I learned about my strengths and weaknesses as a negotiator?
- What works well for me?
- What should I try to do differently / improve?
- In the specific negotiations I am using as examples, what surprised me? What surprised my counterparty?
- What are the potential risks and rewards of certain behaviors of mine? How can I mitigate these risks?

It is very important that the paper be very specific in its claims and that the claims be justified. So instead of just saying: "I communicated well!" it is preferred to say: "Communication was efficient because I focused on making open ended questions and then used active listening to learn their interests and concerns." Giving direct examples of what was said and then commenting on them will enrich your reflection paper.

The length for the final paper is 3 pages (1.5 spacing, Times New Roman 12). Please make your paper easy and pleasant to read; give it some narrative structure. The final paper should be submitted through Aula Global. The deadline will be announced in class.

Late submissions - If you require an extension for submission of your reflection paper, you need my permission, and your paper grade will drop by 3 points (out of 10). No submission is accepted 24hrs past the deadline. Emergency situations (health and deaths) will be dealt with on an individual basis.

Policies, Procedures and Recommendations

Confidential instructions - You will be given confidential instructions for the negotiation simulations. You should NOT share them with anyone else before, during, or after the negotiations. Showing this information would compromise the negotiation experience for all concerned. Never assume material is identical even if a classmate is playing the same role, unless you are told that you can share information and strategize

together. When you are actually negotiating with your assigned party, you may discuss as much or as little of your information as you think is appropriate.

Lying - In the simulations, you only know the information provided to you. To the extent that you convey facts that you do not know to be true, you are lying. Please note, I am not guaranteeing that the other side will not deceive you. I am simply clarifying that if you make up case facts, you are lying, not "editing the case." It is formally acceptable to do so, but you should also be aware that instances of lying might become apparent in the debriefing discussions. Be aware of the potential reputation effects among your classmates.

Absence from class or negotiation simulation - Since you will be paired with one or more participants for your case negotiations, any absence is likely to cause substantial **inconvenience** and **loss of opportunity** to others. Therefore, any absence will be **penalized** in terms of grading. If you must be absent or late due to sickness or a family emergency, it is important that you inform me **as soon as possible** so that I can possibly re-organize the negotiation groups or find a substitute to play your role.

On-time policy - In this course, all classes will start exactly 10 minutes after official start time. Most sessions will start with negotiation cases where your participation is essential. Timely presence of all participants minimizes interruption, repetition and disruption while it greatly increases the efficiency, focus, and participation which together lead to a better-quality class for all. A strict no-late rule will thus be applied, after which the participant will not be allowed to enter the class independently of the reason for the late arrival.

Privacy - Openness and trust among participants will increase our ability to share with and learn from one another and create a safe place to try out new styles of negotiating and new ways of thinking. Therefore, I ask that you exercise higher than normal **discretion** in talking about the experiences, behaviors, or comments **of others**. This is particularly important when speaking to those outside the course.

Research - The results of the simulations and related polls provide rich material for class discussion but may also be useful for research. Moreover, analysis of data from prior courses can help me adjust the curriculum in the future. Only aggregate, statistical information, if any, would be used; complete anonymity would be guaranteed. If you are uncomfortable with this possibility, please send me an email, and I will ensure that your data is always removed from any archived results that might subsequently be used for research. Students who make such a request will not be penalized in any way.

Message from the program director:

“Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program

Students who fail the course during the regular evaluation are allowed ONE re-take of the evaluation, in the conditions specified above. If the course is again failed after the retake, the student will have to register again for the course the following year.

In case of a justified no-show to an exam, the student must inform the corresponding faculty member and the director(s) of the program so that they study the possibility of rescheduling the exam (one possibility being during the “Retake” period). In the meantime, the student will get an “incomplete”, which will be replaced by the actual grade after the final exam is taken. The “incomplete” will not be reflected on the student’s Academic Transcript.

Plagiarism is to use another’s work and to present it as one’s own without acknowledging the sources in the correct way. All essays, reports or projects handed in by a student must be original work completed by the student. By enrolling at any UPF BSM Master of Science and signing the “Honor Code,” students acknowledge that they understand the schools’ policy on plagiarism and certify that all course assignments will be their own work, except where indicated by correct referencing. Failing to do so may result in automatic expulsion from the program.”

Calendar and Contents (tentative)

Class	Primary Topic	Negotiation Case	Negotiation Challenges	Assignment for this session
PART I: NEGOTIATION FUNDAMENTALS				
1	Introduction and Main Concepts	The Art Case		
2	Strategic Guidelines (Claiming Value)	The Art Case (debriefing)		
3	Strategic Guidelines (Creating Value)	Pacific Sentinel (negotiation)	Negotiation Challenge 1	Prepare role for Pacific Sentinel
4	Strategic Guidelines (Creating Value)	Pacific Sentinel (debriefing)		
5	Value Creation and Claiming in	Moms.com (negotiation)		Prepare role for Moms.com

	Team Negotiation			
6	Value Creation and Claiming in Team Negotiation	Moms.com (debriefing)		
	PART II: IRRATIONAL NEGOTIATORS, COMPLEX NEGOTIATIONS			
7	Influence	Mini Cases Discussion	Negotiation Challenge 2	
8	Trust	Win As Much As You Can		
9	Emotion	Eazy's Garage		Prepare role for Eazy
10	Conflict Resolution	Viking		Prepare role for Viking
11	Multi-party Negotiations	HarborCo (negotiation)		Prepare role for HarborCo
12	Multi-party Negotiations	HarborCo (debriefing)		
13	Multi-party Negotiations	Aussie Air	Negotiation Challenge 3	Prepare role for Aussie Air
14	Multi-party Negotiations	Aussie Air (debriefing)		
15	Cross-cultural Negotiations	Alpha/Beta (negotiation)		Prepare role for Alpha / Beta
16	Cross-cultural Negotiations	Alpha/Beta (debriefing)		
	PART III: PUTTING IT ALL TOGETHER AND LOOKING AHEAD			
17	Sharktank	In-class video case discussion		
18	Sharktank	Negotiation Challenge Debrief		Prepare 3 mins presentation of Negotiation Challenge Learning
19	Getting Your Dream Job	Salary Negotiation		Prepare role for Salary Negotiation

20	Getting Your Dream Job & Wrap-up	Salary Negotiation		Prepare role for Salary Negotiation
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Competencies

General Competencies (GC)

- Possessing and understanding state of the art knowledge that provides a basis for analyzing various managerial issues
- Teach students knowledge and problem-solving skills in order to tackle managerial issues in a broad (or multidisciplinary) manner
- Teach students the knowledge required to face complexities in decision making based on incomplete or limited information, and to include reflections on social and ethical responsibilities
- Teach students to communicate to non-specialized audiences in a clear and unambiguous manner.
- Teach students the skills that allow them to continue studying in a way that will be largely self-directed or autonomous.

Specific Competencies (SC)

- To apply analytical and research techniques in the service of solving managerial problems
- To integrate relevant and current scientific knowledge into both thinking about the firm and business practice.
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- Apply the techniques and theories acquired during the Master's Degree to analyze and solve problems relevant to the business world.

Learning Outcomes (LC)

- Acquire advanced knowledge of theory and practice related to the main areas of business decision-making.
- Select tools to be able to make management decisions in multiple environments / Identify decision-making techniques that allow companies to succeed when competing in the market under varying circumstances, also paying attention to the factors that allow that success to persist / Apply techniques / Understand the benefits and limitations of decision-making techniques used.

- To examine the analysis applied to business management decision-making in real cases, in its applications and in the methodological difficulties that scientific research in this field must face.
- Recognize the global context in which social, political, environmental, and ethical issues become of the utmost importance to business.
- Interpret research regarding the functioning of the analytical and critical mind, to avoid biases when dealing with problems.
- Apply all the knowledge acquired during the Master's Degree in real business environments or cases
- Identify problem areas. Analyze the situation to prepare for decision-making. Decide on the implementation of those decisions.

Bio of Professor

Gaël Le Mens is a Full Professor in the Department of Economics and Business at UPF. His research focuses on learning by individuals and organizations. Several his papers explain how individuals might develop and maintain inaccurate beliefs because they rely on the biased samples of information they obtain from their experiences. In related projects on the dynamics of social processes, he has examined the development of technological trajectories, the evolution of cultural tastes and their consequences for organizational viability, the evolution of organizational inertia and dynamics of organizational failure. He is the holder of a €1.2M ERC Consolidator grant on belief and attitude change.



Gaël's research has been published in top scientific journals such as Psychological Review, the Proceedings of the National Academy of Science of the USA (PNAS), Cognition, Behavioral and Brain Sciences, Organization Science and Administrative Science Quarterly. Popular accounts have appeared in the New York Times, the Times (London), WSJ.com, FT.com, USA Today, ABCNews.com, Focus and other in-print and online periodicals. He has taught graduate courses at UPF, INSEAD, London Business School, ESADE, and the University of Lugano in Switzerland. He has given invited lectures at Stanford, MIT and IESE.