

Negotiation and Dispute Resolution

Fall 2016

Professor Greg Saltzman

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Office hours: W 1:10 – 4:00 PM

Please feel free to stop by my office without an appointment, though you can make an appointment if you wish. I am frequently in my Albion office at the following times:

Mondays	1:10 – 4:00 PM
Tuesdays	1:10 – 2:00 PM
Wednesdays	1:10 – 4:00 PM
Thursdays	1:10 – 2:00 PM
Fridays	Almost never (usually in Ann Arbor)

If you make prior arrangements with me, then I am also happy to meet with you in my office most Mondays, Tuesdays, Wednesdays, or Thursdays from 11:45 AM to 1:10 PM.

Classes TuTh 2:15-4:05 PM, Norris 100

Course web: <http://courses.albion.edu/course/view.php?id=4159>

Log in to the courses.albion.edu site with your username and password, and then choose HSP 154 from the left side. You need to use this enrollment key (password) for the HSP 154 page: HSP_154H_fall_2016

An introductory study of the theories and concepts related to negotiation and dispute resolution developed in such fields as microeconomics, psychology, labor relations, and international relations. Includes many role-playing exercises to provide students with practice in negotiation.

Negotiation is the art and science of securing agreements between two or more interdependent parties in order to get things done. In recent years, society has given increased attention to negotiation as a technique to resolve many different kinds of disputes, including legal, managerial, environmental, community, and international disputes. At the same time, the scholarly literature on negotiation and dispute resolution has expanded rapidly.

The role-playing exercises in this course will put you in new and potentially uncomfortable situations so that you will have the opportunity, in the relatively safe environment of the classroom, to try out new behaviors and skills. Think of this course as a social skills laboratory to develop a crucial leadership skill: negotiation and dispute resolution.

➤ *This course meets the Albion College modeling and analysis mode.*

Learning objectives:

Completing this course will improve the ability of students to:

- Apply concepts from microeconomics (e.g., game theory, Pareto efficiency), psychology (e.g., cognitive biases), and labor relations (e.g., integrative bargaining) to analyze negotiations
- Recognize how others perceive their negotiation behaviors and style of interaction
- Communicate effectively, both orally and in writing
- Negotiate and resolve disputes with confidence and skill

Grading:

Grades are based on written negotiation journals, a reflections essay, and class participation, with weights listed in the table below. I will grade each assignment on Albion's 4.0 scale for final grades (4.0 = A, 3.7 = A-, 3.3 = B+, 3.0 = B, etc.) so that students can calculate where they stand as the semester progresses. At the end of the semester, a student who is at or above the midpoint between two grades will receive the higher grade. For example, an average of 3.85 is the minimum for a final grade of 4.0; an average of 3.50 is the minimum for a final grade of 3.7; and an average of 3.15 is the minimum for a final grade of 3.3.

<i>Assignment</i>	<i>Due (email submission deadline)</i>	<i>Grading weight</i>
Negotiation journal, part 1	11:59 PM, Thursday, September 8	12%
Negotiation journal, part 2	11:59 PM, Thursday, October 6	24%
Negotiation journal, part 3	11:59 PM, Tuesday, November 15	36%
Reflections essay	11:59 PM, Tuesday, November 29	10%
Class participation		18%

I am willing to be somewhat flexible on the due dates for the negotiation journals or reflections paper. If you have been sick, have exams in other courses around the time of a due date, or just feel that you need another day or two in order to do a good job on a negotiation journal or reflections essay, then please email me to ask for a brief extension. One 48-hour extension per student is available automatically upon request; you merely need to email me to notify me that you are using the automatic extension. A longer extension or an extension on a second assignment for a given student *may* be available, depending on the circumstances.

As noted on page 6, there is a severe grade penalty for missing more than one negotiation exercise (or more than one class day with two exercises) during the semester; but my hope is that no one in this class will miss more than one. ***If you will need to miss class repeatedly because of athletics or some other commitment, then you should switch now to another class.***

My tentative plan is to give an average final course grade of around 3.7 to the students in this honors class; but the average grade tends to be a little lower on the negotiation journal, part 1, assignment because some students do not immediately understand my expectations.

Required Readings:

Required textbook: Leigh Thompson, *The Mind and Heart of the Negotiator*, 6th edition, 2015 (ISBN-13: 978-0133571776). If you need to save money, the 5th edition of this book is also OK.

I also expect you to read the journal articles and book chapters posted on the course web.

The College will charge students a course fee of approximately \$28 for HSP 154H to cover the copyright fees for use of negotiation exercises sold by Northwestern University or Harvard University. I will distribute paper copies of these exercises throughout the semester.

Negotiation Journal:

You are required to maintain a journal as a vehicle for continuing reflection on your negotiation experiences over the semester. The journal should have one entry for each role-playing class exercise prior to November 15.

The journal is due in three parts.

- Part 1 is due by 11:59 PM on Thursday, September 8. This should include entries for the first three in-class negotiation exercises, through “Win As Much As You Can.”
- Part 2 is due by 11:59 PM on Thursday, October 6. This should include entries for the five in-class negotiation exercises “The Used Car” through “Jessie Jumpshot.” In addition, Part 2 should include one entry for a negotiation you have had outside of this class (e.g., in another class, in a paid job, in dealings with merchants, in dealings with antisocial dormitory neighbors, or in your relationships with friends or family). I have posted on the course web four excellent journal entries about outside-of-class negotiations, which should give you some idea of what I want.
- Part 3 is due by 11:59 PM on Tuesday, November 15. This should include entries for the nine in-class negotiation exercises “Viking Investments” through “Alpha-Beta.”

Please submit your journal to me by e-mailing it to gsaltzman@albion.edu as an attached Microsoft Word file. Please use as a file name Lastname_Firstname_journal_1.docx (or .doc), e.g., Smith_Andrea_journal_1.docx. Include all of the entries for a given journal in a single file. You need not submit a printed copy.

The journal entries are not a permanent record of each detail of what happened. I am only interested in enough detail to understand the situation. You can assume that I am familiar with the role instructions for the in-class exercises; there is no need to explain these in your entry. Although there is no set minimum or maximum length for the journal entries, 1-2 pages typed double-spaced per entry would be typical. Your entry for journal part 2 about an outside-of-class negotiation will often need to be longer because I will have no prior knowledge of what this outside-of-class negotiation entailed.

The main purpose of each entry should be to analyze the process and the outcome of the negotiation. In a journal entry, you might address questions such as the following:

- How did the actual process and outcome compare to the predictions of various writings on negotiation? For example, the reading by Greenhalgh and Gilkey, “Our Game, Your Rules,” asserts that men and women begin negotiation with very different cognitive frames. Did the assertions in this article apply to the men and women in this negotiation?
- What did you learn about negotiation from this role-playing exercise and your reflection on it?
- What surprised you about your behavior and that of the other party or parties?
- Did you and the other party or parties make full use of opportunities for mutual gains? If not, why not?
- How did the history of the situation, the communication process, the distribution of power, coalitions between parties, time pressures, etc. shape the outcome of the negotiation? Did you achieve a less favorable outcome for yourself than you might have? If so, why?
- What did you learn about your values, assumptions, perceptions, methods of coping with stress, and style of interaction? What did you learn about the other party or parties?
- If you had the chance to do this negotiation over, what would you do differently?

My focus in grading will be on the quality of insight and reflective thinking embodied in the journal entries. I also expect correct grammar and spelling. Please review the handout, “Common Writing Errors,” that I have posted on the course web.

When appropriate, use concepts and theories from the Thompson textbook, the course web readings, or lectures for this class to analyze what happened in your negotiation. Since there are no exams in HSP courses at Albion College, you must demonstrate through your papers that you have learned something from the assigned readings for this course.

I posted on the course web four examples of excellent journal entries written by previous students in this class. These examples should give you a better idea of the quality of insight, engaging writing, and appropriate use of negotiation concepts that I expect in a 4.0 journal entry.

I urge you to write each journal entry soon after the role-playing exercise concludes, while you still remember what happened. Make a backup copy of the Microsoft Word file (e.g., by copying it on a jump drive or by e-mailing the file to yourself) after you write each journal entry so that you do not lose all your previous entries if you have a hardware or software problem.

Please use the automatic page numbering function in Microsoft Word to insert page numbers.

Each journal entry for a role-playing exercise from class should begin with the following information:

--name of the exercise

--your role in the exercise (for exercises with assigned roles, e.g., “buyer” for The Used Car)

--name of your teammate or teammates, if any

--names of the persons with whom you (and your teammates, if any) negotiated

--roles of the persons with whom you negotiated

Example of information at the beginning of a journal entry:

Twin Lakes Mining Company

Town council: Bob, Lakisha, Dave Harris, Mary, and me

Mining company: Ellen, Amanda, Dave Manski, Susan, and Vikram

(Note that last names are needed when there are two students in the class with the same first name.)

The journal will be a very personal document. In order to gain full value from the writing, it is important that you be honest with yourself. To facilitate this, I will keep your journal writing confidential. In my comments, I may ask if you would be willing to share a particular set of reflections with the class, but this will be strictly voluntary.

Reflections Paper:

This is a short paper (about 5 pages, typed double spaced), reflecting back on your experiences during the semester and identifying the key themes and lessons that have emerged. The reflections paper should be based on three sources of data:

(a) Your journal. Examine your entire journal for the semester as though you were a dispassionate social scientist who has just come across this curious document. Try to codify the material in your journal, using specific examples from the journal to illustrate general tendencies.

(b) Your self-assessment responses. On Tuesday, August 23, you will complete a negotiation self-assessment. You will complete the same self-assessment again in class on Thursday, November 10, without looking at the answers that you gave in August. After you have written down your November 10 answers, I will distribute the self-assessment answers you gave on August 23. Compare your November answers to your August answers. Did your answers change? If so, why?

(c) Open-ended feedback from your classmates with whom you negotiated. I encourage you to provide feedback to your classmates with whom you negotiate in class. I will set aside class time at least twice during the semester for you to provide written anonymous comments to your classmates, with the hope that this feedback will help your classmates improve their negotiation skills. You should also feel free to provide your classmates with oral comments on an ongoing

basis or to give them written copies of journal entries concerning your negotiations with them. Identify specific behaviors by your fellow students, and tell them how their behaviors influenced your behaviors or your feelings. If you are the recipient of such feedback, try to listen to it graciously and accept it in the constructive spirit in which it was, I hope, intended.

The reflections paper should be e-mailed to gsaltzman@albion.edu by 11:59 PM on Tuesday, November 29.

Class Attendance

Because of the highly experiential nature of the course, near perfect attendance is required for the class sessions on which we have role-playing exercises. Each student may miss **one** role-playing exercise (or two exercises on the same class day) without penalty. Save this for the day that you get the flu, that you have to attend your grandmother's funeral, or that you have a crucial job interview in Detroit. If possible, please give me advance notice that you will be absent for a role-playing exercise; this notice will help me when I organize role assignments.

What happens if you miss (or might miss) more than one class day with role-playing exercises?

- You may be able to make up a missed exercise outside of class, doing the exercise with another student who also had to miss class that day or with Greg Saltzman. This is generally not as good, however, as doing the exercise in class, as you will miss the debriefing. Also, you cannot make up exercises involving the whole class.
- In lieu of one missed class day with role playing exercises, you may go into a store that sells at fixed prices and attempt to negotiate a discount on an item priced below \$10. This can be difficult. You must write up this experience in your negotiation journal.

Except when you can make up a missed exercise outside of class (or by going into a store selling at fixed prices and trying to get a discount), there is a severe grade penalty for missing more than one class day with role playing exercises: a reduction in your course grade by 1/3 grade (e.g., from 3.7 to 3.3) for each exercise missed beyond one. **YOU HAVE BEEN WARNED.**

Class Participation

Besides any grade adjustment made on the basis of attendance, I will assign a grade based on the quality of class participation in the negotiation role-playing exercises. Students who are poorly prepared for a role-playing exercise, who do not take their roles seriously, or who are not actively involved in the exercise may diminish the potential learning from that exercise not only for themselves, but also for the others in their group. Students with particularly keen insights may make the exercises more valuable both for themselves and for the others in their group.

The grade for quality of class participation will also reflect your success in two goals that are sometimes in tension:

1. Gaining favorable terms for your party in the negotiation role-playing exercises, and
2. Maintaining a good relationship with the other parties with whom you negotiate

Class participation grades will be based partly on my observation of the class during the negotiation role-playing exercises and partly on peer rating forms that each student will complete for each other student in the class. The peer rating forms indicate your level of agreement (on a scale of 1 to 5) with seven statements about each student:

- A. This student prepared adequately for the negotiation exercises before class.
- B. This student participated actively in the negotiation exercises, rather than being passive or disengaged.
- C. I trust this student to honor any promises he or she made to me or to others.
- D. This student was sufficiently assertive in standing up for his or her own interests.
- E. This student was effective at inducing me and others to cooperate with him or her.
- F. This student came up with good ideas about how to solve problems arising in the negotiations.
- G. This student demonstrated good leadership skills in the negotiations.

You will complete the peer evaluation forms twice during the semester, once at the end of September and once in November. I will inform each student of the *average* numeric score he or she received for each of the seven statements but *not* of the rating from any individual classmate.

My tentative plan is to give participation grades of 4.0 to one-fourth of the students, of 3.7 to half, and of 3.3 or 3.0 to one-fourth, though this plan is subject to change.

Academic Integrity

Albion College has adopted the following statement on academic integrity: “As an academic community, Albion College is firmly committed to honor and integrity in the pursuit of knowledge. Therefore, as a member of this academic community, each student acknowledges responsibility for his or her actions and commits to the highest standards of integrity. In doing so, each student makes a covenant with the college not to engage in any form of academic dishonesty, fraud, cheating, or theft.”

I expect you to use quotation marks and cite your source for any direct quotations in your negotiation journal or your reflections paper. Furthermore, I expect you to refrain from making any effort to see the confidential role-play instructions of students playing other roles in the negotiation exercises (until after a given exercise has been completed).

Telling a Lie during a Negotiation Exercise

I leave it to each of you to decide whether to lie to another student during a negotiation exercise. But ***before lying, you should consider very seriously both your personal ethics and the potentially grave damage to your ability to win the trust of others in the future.***

Disability Statement

If you have a disability and may require accommodations or modifications in class instruction or course-related activities, please contact the Learning Support Center (LSC) staff who can arrange for reasonable accommodations for students who provide documentation of their disability/condition. If you are presently registered with the LSC and have requested accommodations through the LSC for this semester, please plan to meet with me as early as possible to discuss the best way to implement these accommodations in this class. The LSC is located on the first floor of the Ferguson building; their phone number is 517-629-0825.

Tentative Schedule

<u>Week of</u>	<u>Day</u>	<u>Topic and Reading Assignment</u>
Aug 23	Tues	Introduction Complete negotiation self-assessment questionnaire in class Role Play: "Polynesian Coconuts"
	Thur	Competition and Cooperation Reading: text, chapter 1 Role Play: "The Disarmament Exercise"
Aug 30	Tues	The ABC's of Game Theory and the Prisoner's Dilemma Readings: Avinash Dixit and Barry Nalebuff, <i>Thinking Strategically</i> (New York: W.W. Norton, 1991), "Ten Tales of Strategy," pages 7-30. "Game Theory in Practice," <i>The Economist</i> , September 3, 2011, Technology Quarterly, pp. 13-14.
	Thur	Multiparty Prisoner's Dilemma Role Play: "Win As Much As You Can" Reading: Text, chapter 11
Sep 6	Tues	Distributive Bargaining, Theories of Negotiation Readings: Text, chapters 2-3. Richard Walton and Robert McKersie, <i>A Behavioral Theory of Labor Negotiations</i> (New York: McGraw-Hill, 1965), "Introduction and Theoretical Framework," pages 1-10. Howard Raiffa, <i>The Art and Science of Negotiation</i> (Cambridge, MA: Harvard University Press, 1982), "Some Organizing Questions," pages 11-19. H. Peyton Young, "Dividing the Indivisible," <i>American Behavioral Scientist</i> , Vol. 38, No. 6, May 1995, pp. 904-909 James K. Sebenius, "Six Habits of Merely Effective Negotiators," <i>Harvard Business Review</i> , April 2001, pp. 87-95.
	Thur	Distributive Bargaining Reading: text, appendix 4 First Role Play: "The Used Car" Second Role Play: "Summer Internship"

Journal part 1 due 11:59 PM Thursday, September 8

<u>Week of</u>	<u>Day</u>	<u>Topic and Reading Assignment</u>
Sep 13	Tues	Budget Squeeze Role Play: "Lakeview Hospital"
	Thur	Integrative Bargaining and Pareto Efficiency Role Play: "El Tek" Reading: text, chapters 4-5
Sep 20	Tues	Trust, Ethics, and Power Reading: text, chapters 6-7, Appendix 2 A Brief Introduction to Expected Value Calculations (needed for Jessie Jumpshot role play on Thursday) Reading: Gregory M. Saltzman, "Expected Value Calculations and the Jesse Jumpshot Exercise"
	Thurs	(1) Use of Agents; (2) Contingent Contracts Role Play: "Jessie Jumpshot" <i>Note: At the end of Thursday's class, you will be given some questions about the Jessie Jumpshot negotiation to analyze prior to Tuesday's class.</i>
Sep 27	Tues	Discussion of Jessie Jumpshot questions; discussion of Jessie Jumpshot video
	Thur	Cognitive Biases Readings: Text, chapter 8 Nassim Taleb, "Scaring Us Senseless," <i>The New York Times</i> , July 24, 2005, Section 4, p. 13. Complete first peer evaluation forms (1-5 scale) and open-ended peer feedback comments in class. Peer evaluation forms with 1-5 scale go to Greg Saltzman, who will consider these when assigning class participation grades and who will inform students of average scores assigned to them by peers on each of seven rating items. Anonymous open-ended peer feedback comments are <i>not</i> seen by Greg Saltzman and have no effect on class participation grades.

Week of Day Topic and Reading Assignment

Oct 4 Tues Gender Issues in Negotiations

Readings:

Rosabeth Moss Kanter, *Men and Women of the Corporation* (New York: Basic Books, 1977), “Numbers: Minorities and Majorities,” pp. 206-242.

Leonard Greenhalgh and Roderick Gilkey, “Our Game, Your Rules: Developing Effective Negotiation Approaches,” in Linda Moore, ed., *Not as Far as You Think* (Lexington, MA: Lexington Books, 1986).

Deborah Tannen, “The Power of Talk: Who Gets Heard and Why,” *Harvard Business Review*, Vol. 73, No. 5, September-October 1995, pp. 138-148.

Linda Babcock, Sara Laschever, Michele Gelfand, and Deborah Small, “Nice Girls Don’t Ask,” *Harvard Business Review*, Vol. 81, No. 10, October 2003, pp. 14-16.

Pam Belluck, “Male Sellers on eBay Have an Edge Over Women, Study Finds,” *The New York Times*, February 19, 2016.

Case to discuss: “Caitlin’s Challenge” (we’ll see 7-minute video in class)

Thur Unequal Power

Role Play: “Viking Investments”

Readings:

Robert H. Mnookin, Scott Peppet, and Andrew Tulumello, “The Tension between Empathy and Assertiveness,” *Negotiation Journal*, Vol. 12, No. 3, July 1996, pp. 217-230.

Natalie Angier, “Thirst for Fairness May Have Helped Us Survive,” *The New York Times*, July 5, 2011, p. B2.

Journal part 2 due 11:59 PM Thursday, October 6

Oct 11 Tues ***No classes Tuesday, October 11 (Albion College fall break)***

Thurs Bargaining As Part of a Team

Role Play: “Twin Lakes Mining Company”

Oct 18 Tues Multiple Party Negotiations

Role Play: “Towers Market”

Reading: text, chapter 9

Thurs Structured Multi-Party Negotiations

Role Play: “Harborco”

<u>Week of</u>	<u>Day</u>	<u>Topic and Reading Assignment</u>
Oct 25	Tues	Unstructured Multi-Party Negotiations Role Play: "Flooding" Reading: Leonard Greenhalgh, "Managing Conflict," <i>Sloan Management Review</i> , Vol. 27, No. 4, Summer 1986, pp. 45-51.
	Thurs	Unstructured Multi-Party Negotiations Role Play: "Bennett, Strang & Farris"
Nov 1	Tues	Competition and Cooperation in Groups Role Play: "Strategic Decisions at Jaguar"
	Thurs	Racial and Ethnic Issues in Negotiation Role Play: "Grocery Store"
Nov 8	Tues	Cross-Cultural Issues in International Negotiations Role Play: "Alpha-Beta" Readings: Text, chapter 10 Kara Alaimo, "How to Deal With a Foreign Colleague Who Can't Say No," <i>The New York Times</i> , July 31, 2016, p. BU7. Hannah Seligson, "For American Workers in China, A Culture Clash," <i>The New York Times</i> , Dec. 24, 2009, pp. B1 and B2. Video: HSBC eels ad
	Thurs	Mediation and Arbitration, Labor-Management Negotiations Reading: text, Appendix 3 Complete negotiation self-assessment questionnaire for second time in class Complete second peer evaluation forms (1-5 scale) and open-ended peer feedback comments in class
Nov 15	Tues	Role Play: "Ultimatum Game" <i>Journal part 3 due 11:59 PM Tuesday, November 15</i>
	Thurs	<i>Vive la France</i> Role Play: "Mouse" PowerPoint: Gregory M. Saltzman, "Understanding the Cultural Context of the Mouse Negotiation," 2010. Reading: David Barboza and Brooks Barnes, "How China Won the Keys to Disney's Magic Kingdom," <i>The New York Times</i> , June 14, 2016.

Week of Day Topic and Reading Assignment

Nov 22 Tues Labor-Management Negotiations
Video: "Final Offer"

Thurs **No class** (*Thanksgiving break*)

Nov 29 Tues International Negotiation: The Palestinian-Israeli Conflict

Multimedia presentation (part of which will be shown in class): Council on Foreign Relations, "Crisis Guide: The Israeli-Palestinian Conflict," April 16, 2008, available online on August 9, 2016, at:
<http://www.cfr.org/israel/crisis-guide-israeli-palestinian-conflict/p13850>

Readings:

Mazen Masri, "The Two-State Model and Israeli Constitutionalism: Impact on the Palestinian Citizens of Israel," *Journal of Palestine Studies*, Vol. 44, No 4, Summer 2015, pp. 7-20.

Scott Atran and Robert Axelrod, "Reframing Sacred Values," *Negotiation Journal*, Vol. 24, No. 3, July 2008, pp. 221-246.

Tom Phillips, "There May Never Be Peace," *Prospect Magazine*, Issue 197, August 2012.

Daniel L. Shapiro, "Peace in the Middle East: Lessons from a Legend," *Negotiation Journal*, Vol. 29, No. 2, April 2013, pp. 179-185.

Robert H. Mnookin, Ehud Eiran, and Shula Gilad, "Is Unilateralism Always Bad? Negotiation Lessons from Israel's 'Unilateral' Gaza Withdrawal," *Negotiation Journal*, Vol. 30, No. 2, April 2014, pp. 131-156.

***Reflections essay due 11:59 PM Tuesday,
November 29***

Thur International Negotiation: The Palestinian-Israeli Conflict

Note: this class does not meet during the final exam period. There are no exams in Albion's HSP courses.