



Leadership, Negotiations and Management (PPHA 58050)

Spring 2020 (Delivered Online via Zoom)

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Note Regarding Online Delivery Due to COVID-19

In Spring Quarter 2020 all University of Chicago classes will be taught online. I have taught online before and was pleasantly surprised by the experience. While I acknowledge that the move to online presents some challenges, I think there are also some opportunities and even upsides to the move.

When I first started teaching online I was expecting it to feel like a poor facsimile of a large classroom, and saw my role as minimizing the unpleasantness. But I found is that teaching with Zoom actually feels more like talking to a small number of students around a dining room table. Zoom's software is so good that when used well, the live session ("synchronous," to use the preferred term) actually feels more intimate than teaching a regular class. We all know that students in regular classes can sit in the back row and tune out. In an online class, that's not so easy. At any moment, a student can be called upon, at which point he or she is front and center to peers and the faculty member.

A big decision in teaching online—perhaps *the* decision—is what is the right balance of synchronous versus asynchronous (i.e., pre-recorded) content. For technical classes, I can see several advantages for a more balanced mix of synchronous and asynchronous content. But for this class, one heavily dependent on class discussion and group exercises, I believe that synchronous content should be preferred.

Of course, many of us are now facing challenges we didn't in the pre-coronavirus days. Many of you are likely taking classes from home with a less than optimal setup, whether from a technology standpoint and/or because you're juggling things like small children, elderly parents, and pets. Given this, and the fact that even under ideal conditions paying attention to online content for much more than 90 minutes is beyond most of our attention spans, I will limit our weekly classes to 90-120 minutes. This means that you'll have a slightly increased amount of work to complete outside of class hours. On balance, however, I think that tradeoff is desirable. Also, all classes will be recorded so that you can

replay them if necessary (or watch them for the first time if you are unable to attend the session live for other reasons).

I make the following promises to you:

1. You will receive all the content you would have received in a traditional classroom version of this course.
2. You will get more access to me than during a normal quarter. My TAs and I will be available to work with you in small groups or one-on-one via Zoom or other platforms.
3. I will experiment with Zoom, I will make mistakes, I will blunder—both in the use of the supporting technologies and in terms of pedagogy—because I’m in the same uncharted waters that most of us are in.
4. I will do everything in my power not to repeat the mistakes I make, and I will be understanding of mistakes you make.
5. We will use these weeks together as a learning lab to figure out new and perhaps better ways of learning. We may remember this as the most important quarter of our time at the University of Chicago.

Usually when I teach this class, I start the quarter with the leadership and management material before moving into the negotiations and decision-making material. This time around, I’m going to reverse that order. The leadership and management material is substantially more lecture-heavy and less conducive to community building among students. I believe that by starting with negotiations—and forcing you all to interact with one another in small and then large groups—we will more quickly foster a sense of camaraderie that is central to the success of a cohort-based program such as this one.

While I consider this syllabus “final” in most normal respects, I reserve the right to make minor changes based on information gathered as we go. This is a new experience and it would be foolhardy to think I’ve perfectly figured it all out ahead of time.

As this syllabus goes to “press” (end of the day on March 27, 2020), I have still not made a final decision as to which negotiations will be done during class and which will be completed between class sessions. I assure you, you will all receive plenty of advanced warning about whether you need to complete a negotiation outside of class time. For our first class, you will receive a negotiation role ahead of time via email and should come to our first class session prepared to conduct the negotiation. Whether I have you complete the negotiation during class or between the first and second class I haven’t yet decided. The first negotiation requires very little time to prepare (approximately 20 minutes or so). I expect you’ll receive it a couple of days before our first class session.

Course Overview and Objectives

More than ever before, the central role of a leader is to formulate a organization's objectives, organize to achieve those objectives, and convey such in a form attractive to employees and other stakeholders, whether taxpayers, investors, citizens, customers, partners, or politicians. The leader and leadership team have point responsibility, but middle managers too are expected to play a role, and most certainly expected to shape their personal business responsibilities to broad organizational strategy.

Leaders are less often trained to perform these responsibilities than they are simply expected to meet them. This course is about bringing people together to create and deliver value. It is about identifying opportunities, mobilizing resources around opportunities, and organizing to deliver on opportunities. In short: this course is about getting things done.

In the first weeks of this course, we introduce negotiations as we explore how to execute strategy through persuading other flesh-and-blood humans to work with us towards our objectives. You will become more effective leaders and managers by developing your "tool kit" of negotiation tactics and strategies. You will learn from an extensive set of negotiation experiences in class, practice your skills, and benefit from feedback. We will focus on specific aspects of the negotiation process that are important to many negotiation situations, such as obstacles to effective communication at the bargaining table, the maximization of multiple interests, and tactics for coalition building.

In any situation, there is a social organization comprised of players with divergent but not infrequently complimentary interests. Principles of social organization indicate how best to coordinate those interests to create value. In the later class sessions, we introduce these principles and their application, with a particular emphasis on using social network analysis to better understand how to coordinate personal contacts across diverse groups in an organization, coordinate employees within and between functional groups, and coordinate activities across markets and society more broadly. A strategic leader knows alternative principles of organizing and when to optimize for one or another. Using social capital social network analysis as our central framework, we'll address the key questions: How do I work with other people to identify valuable opportunities and how do we mobilize to make it happen?

Pedagogical Approach

We use a blend of theory, cases, negotiation exercise, and discussion of practice. The theory is important – it puts structure on an area of management that is often poorly understood and often managed by intuition. Not only does theory make your thinking on this topic more structured and rigorous, but it also helps you to uncover general principles that can be applied in your business or new settings that you will face later in your career. The theory is complementary but distinctly different from more traditional approaches from economics and psychology. The cases are important because they give us a common set of examples to discuss, bring added complexity, and help you understand implementation of the ideas.

Class Readings

You do not need to read large quantities of academic literature to be informed for our class discussions. The idea is to introduce you to a set of ideas without bogging you down in the academic literature. You do, however, need to come prepared for the case discussions and/or negotiation simulations (depending on the week), and being well versed on the case or the negotiation simulation will often require you to familiarize yourself with supporting readings. Supporting readings consist of additional case studies and/or portions of academic

journal articles and book chapters. For journal articles, concentrate your reading on the introduction and conclusion sections, and skim the data and methods sections if interested.

All readings are available online via the course website on Canvas except for the two required texts:

Herminia Ibarra, *Act Like a Leader, Think Like a Leader* (Boston: Harvard Business Review Press, 2015)

Max Bazerman and Margaret Neale, *Negotiating Rationally* (New York: Free Press, 1994)

Copies of the lecture slides will be available on the course website following each class week. I will not provide hard copies of these slides for you.

Negotiation Exercises

In certain weeks, you will take part in a negotiation exercises. For each exercise, you will be assigned a particular role for which you will be given background materials, instructions, and (often) confidential information to aid you in your preparation. You will be paired with one or more negotiating partners. Sometimes these negotiations will be conducted during class hours, other times between class sessions. We will conduct detailed debriefs of every negotiation undertaken.

Our discussion will often focus on how different strategic choices (and interpersonal skills) drive relative success at the bargaining table. The cases do not involve real payoffs to the participants, of course, but past students have relished the opportunity to test their effectiveness and to try new techniques they learn in the course. It is far less costly to try a new strategy that fails in the classroom than it is to try a new strategy that fails in the boardroom. Because everyone will be negotiating the same case, which will then be extensively discussed, you will get a chance to see something that is seldom visible when you negotiate – how well you might have done had you negotiated differently.

We will track everyone's results so you can compare the outcome that you negotiated with the results obtained by other people in your same role. These tracked results are not factored in course grades;

they are meant only to give you a sense of your effectiveness in a variety of negotiation settings and to learn from your experience. You will find that you are more skillful in some situations than in others.

Whether you negotiate the “best” outcome or the “worst” will not affect your grade in the course, but your faithful and creative preparation and participation are essential, as is the quality of the insights that you draw from the negotiating experience and the course readings. Failure to prepare for and carry out an exercise would not only adversely affect your own learning, but would deny valuable experience for fellow students with whom you’re paired. Thus, your conscientious preparation and actual presence in the section for which you are registered is a primary requirement of this course.

As you negotiate with your classmates, keep in mind that you should never simply give in to your counterpart, even when you are negotiating with someone you know and like. Doing so would produce a poorer result for you and would deprive them of a legitimate test of their skills. As with a tennis match among friends, playing vigorously and intelligently does more for everyone’s game, and is much more fun.

Grades and Grading Policy

Class Participation (10%): Your class participation grade will be based on how *conscientiously* and *insightfully* you discuss the cases and exercises in class, in breakouts, in discussion forums, via email, and/or carry out the assigned negotiation exercises in your assigned groups. Missing a negotiation or failing to contribute to the discussion of the readings and exercises will have an adverse effect on your class participation grade.

Negotiation Preparation (10%): In certain weeks you will be asked to complete a negotiation preparation sheet, sometimes in class but usually before class.

Weekly Spotlight (25%): Each week, except for the first week, you will submit a brief (no more than 1-page) mini essay that highlights something you personally took away from the previous week’s material.

Reflection Report (20%): Approximately midway through the quarter you must submit a typewritten reflection report (approximately 3-pages in length). The reflection reports (an individual exercise) are a vehicle for you to synthesize on an ongoing and cumulative basis the lessons and analytical insights you want to retain from your experience. More details will be given in class.

The Change Pro Simulation® (10%): The Change Pro Simulation® is an interactive and realistic computer-based learning tool. You will be assigned to groups and will complete this simulation as a team tasked with convincing as many of 24 top decision-makers as possible to “adopt” an enterprise-wide initiative and agree to support its implementation within the division. Accomplishing

this task is particularly challenging as participants will have no hierarchical power over the division's top leadership team and will have to rely on their own social capital to succeed.

Final Group Presentation and Paper (25%): In lieu of a final exam, you will complete a group assignment where you will (1) craft a presentation that you will record yourselves delivering, and (2) write a paper due at the end of the quarter. You will receive feedback on the presentation that you will then incorporate in your final paper. The presentation and paper will collectively analyze an interesting negotiation and management challenge that at least one group member has actually participated in outside of class. Both deliverables should focus mainly on analysis rather than mere description of the negotiation, and should draw upon various class themes including the social capital toolkit developed in the early part of the course.

All assignments will be submitted electronically via the Canvas course website. Any assignment time-stamped after the start time it is due will receive a score of 0. Obviously serious, extenuating circumstances will be considered.

The approximate schedule week-by-week follows on the next pages, listing all readings including case assignments. Please read it carefully and plan ahead for the quarter. Email us if you have any questions.

Week 1 of 9 – Introduction to Negotiations, Value Claiming - Part 1 of 2

April 8, 2020

Overview: We start the quarter by learning how to better negotiators in order to persuade other flesh-and-blood humans to work with us towards our objectives. This initial session on negotiations will focus on situations in which each party attempts to enlarge his or her share of what is taken to be a fixed pie. We introduce basic concepts and tactics, with a special emphasis on the cognitive aspects of negotiation.

Reading: James Sebenius *Essentials of Negotiation* (1993)

The Sebenius note introduces the framework we will be developing in the next couple of weeks. Some people see negotiation primarily as a joint problem-solving process that can lead to win-win solutions. Others view bargaining mostly as a power game in which threats and preemptive moves often prevail. Try to take an objective look at your own negotiation tendencies. Do you regard yourself mostly as a “value creator” or a “value claimer” – and would people with whom you negotiate share that view of yourself?

Negotiating Rationally (Chapters 1-4)

Negotiation: *Bradford Development: Negotiating a Linkage Agreement*

Bradford, an old New England industrial city, is experiencing an economic boom. The city has recently adopted a ‘linkage agreement’ policy, requiring developers to make once-off payments to the city to offset infrastructure and housing costs. Curry Corporation (‘Curry’) is the first developer to propose a major project under the new administration. After meeting with all the appropriate municipal agencies and citizen groups, the only major issue left unresolved in the proposed project is the appropriate size of the linkage payment that Curry should make to the city.

Roles: *Municipal Negotiation Specialists* or *Curry Corporation Representatives*

Your role assignments (Municipal or Curry) and confidential information will be emailed to you ahead of time. You are expected to read the role before class.

In this negotiation exercise, as with the others, it is important to keep your instructions confidential. Your purpose is to try very hard, through your negotiating approach, to maximize your surplus over the value of your best unilateral alternative to a negotiated agreement; you will be scored according to the extent to which you do so.

Week 2 of 9 – Value Claiming - Part 2 of 2

April 15, 2020

Overview: This session we further explore situations in which each party attempts to enlarge his or her share of what is taken to be a fixed pie.

Reading: *Strategies of Influence* (Chapter 7 in *Negotiation Genius*; Malhotra & Bazerman)
Negotiating Rationally (Chapters 5-8)

Hand in: *The Negotiation Style Questionnaire*

- Complete the questionnaire (which will be made available via Canvas) and calculate your score before class. This is ungraded and there is nothing to submit, we just ask that you complete the questionnaire before class.

Negotiation: *Madsen versus Clayton*

Hand in: Preparation worksheet for this week's negotiation. Submit on canvas before class.

Roles: *Bradley Madsen or Clayton Fencing and Roofing*

Prepare the case from the perspective of your role and carefully answer the preparatory questions at the end of your case before you come to class.

Week 3 of 9 – Value Creation - Part 1 of 2

April 22, 2020

Overview: In the classes that follow, we explore negotiations that contain elements of both cooperation (creating joint value by “enlarging the pie”) and competition (claiming individual value according to each party’s interests). We identify the potential sources of gains – and why they are often not fully captured. We also analyze the tension between cooperative moves to create value and competitive moves to claim it. This tension is a common feature of negotiation and affects virtually all tactical and strategic choices.

Reading: *How to Get Them to Show You the Money* (Webber)

Negotiating Rationally (Chapters 9-10)

Negotiation: *New Recruit* (Neale)

Hand in: Preparation worksheet for this week’s negotiation. Submit on canvas before class.

Roles: *Candidate or Recruiter*

In this case you will be taking the role of either a recruiter or a potential candidate in a job offer negotiation. As usual, the material you receive describing your role is to be treated as strictly confidential. During the negotiations, you may wish to reveal some of this material to the other side, but the rules of the game do not permit you to show your actual written confidential instructions to your counterpart. It is up to you to decide how to represent your positions.

Prepare the case from the perspective of your role and carefully answer the preparatory questions at the end of your case before you come to class.

Week 4 of 9 – Race and Gender in Negotiations, Value Creation - Part 2 of 2

April 29, 2020

Overview: We continue our exploration of negotiations that contain elements of both cooperation (creating joint value by “enlarging the pie”) and competition (claiming individual value according to each party’s interests). This week we increase the complexity dramatically and introduce advanced strategies. We also discuss how race and gender influence negotiations

Reading: *Women Don’t Ask* (Babcock & Laschever)

Lean Out: The Dangers for Women Who Negotiate (Konnikova)

Getting the Short End of the Stick: Racial Bias in Salary Negotiations (Hernandez and Avery)

Betting on the Future: The Virtues of Contingent Contracts (Bazerman & Gillespie)

Negotiation: *Moms.com* (Tensbrunsel & Bazerman)

Hand in: Preparation worksheet for this week’s negotiation. Submit on canvas before class.

Roles: *Terry Schiller* or *Kim Taylor*

You will assume the role of Schiller or Taylor in the negotiation for a television program, *Moms.com*.

Prepare the case from the perspective of your role and carefully answer the preparatory questions at the end of your case before you come to class.

Week 5 of 9 – Multiple Parties – Part 1 of 2

May 6, 2020

Overview: As we approach the end of the negotiation component of the class, we study multiparty negotiations and explore how the dynamics of these negotiations differ from two-party settings. In particular, we examine the strategic and tactical issues that are essential to any sophisticated building (or destroying) of coalitions.

Reading: *Credible Commitments (Dixit & Nalebuff)*

Negotiating Rationally (Chapters 12-18)

Negotiation: Social Services: A Three-Party Exercise

Allied, Benevolent, and Caring Services are three nonprofit social service providers competing for state social service funding. The state funding agency has decided to increase its annual budget but will provide additional funds only to a consortium of two or more providers. Each provider must decide whether to cooperate with the other providers in order to pursue state funds, and if so, how these funds should be divided among the co-operating providers.

Hand in: *Preparation worksheet for this week's negotiation. Submit on canvas before class.*

Roles: *Allied or Benevolent or Caring Services*

Week 6 of 9 – Multiple Parties – Part 2 of 2

May 13, 2020

Overview: We build on the simple coalitional negotiation introduced previously with a detailed, six-party negotiation with private, public, NGO, and union actors focused around the potential building of a new deep-water port facility.

Reading: *None beyond the negotiation exercise, so no excuses for being unprepared!*

Negotiation: *Deeport (Sebenius)*

Hand in: Preparation write-up for this week's negotiation. Submit on canvas before class.

Roles: *Six different roles per group*

One person from each group will assume the role of each of Deeport, Unions, Other Ports, Environmental League, Governor, and the Federal Department of Coastal Resources. Your group will have 90-120 minutes to negotiate. Given the limited span for negotiation, time planning is critical.

Week 7 of 9 - The Competitive Advantages of Social Capital

May 20, 2020

Overview: The global and cross-sector shift to less hierarchical organizations has triggered a movement away from vertical command chains to horizontal lines of cooperation. At the same time, the rise of technology-enabled social media and sharing economy firms (e.g., Uber and Airbnb) have upended our traditional thinking about trust and reputation, both of which are essential in to success whether in the public, private, or social sector. Trust and reputation are now grounded not in traditional institutions and brands but in the social networks around us. Living in a world of distributed authority and trust has implications that must be understood if we are to craft actionable strategies for ourselves as leaders and for the complex organizations we manage.

Reading: Please start reading *Act Like a Leader, Think Like a Leader*

Week 8 of 9 – Managing Effectively in a Networked World of Distributed Trust

May 27, 2020

Overview: Those able to leverage their and their organization’s social capital, have a competitive advantage in detecting good opportunities and finding resources to move such opportunities forward. We’ll discuss multiple cases, one from the public sector and one from the private sector. The cases will be an occasion for us to talk about the process by which social capital creates value and some of the issues attendant to working with those who wield it adroitly. We will also talk about other applications of social capital, including controversial ones mentioned in *The Verge* reading noted below.

Case: SOFWERX: Innovation at U.S. Special Ops. Command (Abridged) – HBS Product # 9820047

Managing Xerox’s Multinational Development Center (Abridged) – HBS Product # 9496047

Reading: Finish up reading *Act Like a Leader, Think Like a Leader*.

“Palantir has secretly been using New Orleans to test its predictive policing technology” by Ali Winston in *The Verge*

Week 9 of 9 – The Change Pro Simulation®

May 3, 2020

Overview: The Change Pro Simulation® is an interactive and realistic computer-based learning tool designed to help team leaders increase their ability to implement change in a complex organization, utilizing not formal but informal influence. Working in small teams (e.g., 5-6 individuals per team), participants will be tasked to convince as many of 24 top decision-makers as possible to "adopt" an enterprise-wide initiative and agree to support its implementation within the division. Accomplishing this task is particularly challenging as participants will have no hierarchical power over the division's top leadership team and will have to rely on their own social capital to succeed. You will be assigned to a group and will complete this simulation in that pre-assigned group.

Student Accommodations

If you require any accommodations for this course, as soon as possible please provide your instructor with a copy of your Accommodation Determination Letter (provided to you by the Student Disability Services office) so that you may discuss with him/her how your accommodations may be implemented in this course. The University of Chicago is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or think you may have a disability) and, as a result, need a reasonable accommodation to participate in class, complete course requirements, or benefit from the University's programs or services, you are encouraged to contact Student Disability Services as soon as possible. To receive reasonable accommodation, you must be appropriately registered with Student Disability Services. Please contact the office at 773-702- 6000/TTY 773-795-1186 or disabilities@uchicago.edu, or visit the website at disabilities.uchicago.edu. Student Disability Services is located at 5501 S. Ellis Avenue.