Negotiations in Theory and Practice

March 09, 2022, 10:15-11:45, Introductory session

April 27, 2022, 08:30-18:00, Seminar
April 28, 2022, 08:30-18:00, Seminar

Location: see KSL

See also Point 4: Organization and Schedule

Prof. Dr. Markus C. Arnold
University of Bern
Institute for Accounting (IUC)
Managerial Accounting Section
Engehalenstrasse 4, CH-3012 Bern
Email: markus.arnold@iuc.unibe.ch

Lukas Wyder
Head of Procurement & Supply Chain
Fédération Internationale de Football Association
FIFA-Strasse 20, CH-8044 Zurich
Email: lukas.wyder@fifa.org

1. Content

This course is a seminar for master students. As a pre-requisite, participants should have a basic expertise in managerial accounting, finance and principal-agent-theory. The course language is English. The number of participants is constrained to a maximum of 12.

The purpose of the course is twofold: first, students will deepen their knowledge of the theory and research in negotiations. Second, students will improve their own negotiations skills and learn how to negotiate (better) in practice.

We negotiate all day – every day from the time we wake up to the time you go to sleep. Negotiations happen in your professional life as well as in your private life. We negotiate with our boss regarding a project we want to push forward, we negotiation with our colleagues where to go for lunch break and we negotiate with our partner what movie to watch. Life is a series of negotiations.
Negotiating with others can be learned. Therefore, this seminar is intended to introduce students to the theory and practice of negotiations. The seminar is organized in two parts:

- Part I: Theory of and research on negotiation: 30% of the course
- Part II: Real life examples as a mix of negotiation simulations and group work: 70% of the course

In the first part, students will treat some selected topics from the field of negotiation theory and research to understand the underlying driving factors of negotiations.

In the second part a broad spectrum of practical negotiation problems will be addressed. Students will have the opportunity to practice in a low risk environment and observe themselves and others while negotiating. Video recording will be used to review and provide feedback on role plays.

Upon completion of this program, students will have the following knowledge and skills:

- an understanding of important drivers of negotiation success,
- a toolkit of key negotiation skills and theories to achieve optimal outcomes and create value for themselves and their organization,
- the skills to think strategically about the impact of subconscious bias, body language, and other forms of nonverbal communication in negotiation,
- an understanding of how to improve working relationships and manage conflict.

Each student’s task consists in preparing a 20-minute presentation about one of the underlying theoretical drivers of negotiation outcome and writing a report (in English; 8-10 pages without title page, index and bibliography; 12pt font size; 1.5 line spacing) about one or more examples of how the theory learned has been applied in practice and how this changed the negotiation outcome. The examples to be used can be every day situations such as deciding what movie to watch, where to go on vacation or what to cook for dinner.

Participants are required to be present during all sessions, i.e. also during the introductory session in which preferences for topics can be stated.

2. Course Evaluation

- Classroom contribution (20%)
- Presentation (30%)
- Role Play (20%)
- Written report (30%)
3. **Topics**

**Part I: Theory of and research on negotiation**

In this part, the following topics will be covered:

- Game-theoretical aspects of negotiations
- Negotiating under uncertainty
- Availability of information
- Fairness in negotiations
- Self-serving fairness biases in negotiations
- Anchoring and adjustment
- Escalation of commitment
- Overconfidence and negotiators’ behavior
- The use of mediators and arbitrators
- Reciprocity and the consequences of negotiations

**Part II: Real life examples**

Part II of this seminar will address real life examples:

- Effective preparation of negotiations
  - Form a dual vision
  - Research
  - Differentiate interest from positions
  - Know your BATNA, ZOPA and Reservation Price
  - Preparing your negotiations
  - Negotiation Team

- Influencing
  - Aggressive Offer
  - Use self-imposed constraints
  - Deadlines
  - Tactics
  - Bluffing / misleading (not lying!)
  - Decisive language
  - Pattern of concessions

- At the negotiation table
  - The five phases of a negotiation
- Nonverbal communication
- Balancing advocacy with inquiry
- Who should make the first offer (use of anchoring)
- Creating and claiming value

- Special Negotiations
  - Negotiating in Single Source Supply
  - eAuctions

- Common Mistakes

4. Literature


Malhotra, D. 2016. Negotiating the Impossible / How to Break Deadlocks and Resolve Ugly Conflicts (Without Money or Muscle). Oakland (CA)


*Basic literature for the topics in Part I will be made available before the introductory session.*
5. **Organization and Schedule**

The **final deadline to register** is **March 02, 2022** (23h59) by email to mariza.chavezsteinmann@iuc.unibe.ch.

Together with the registration, the current profile sheet ("Studienblatt") is required as well as additional information about the stage of studies and the motivation for the seminar (e.g. plans for the master thesis). Note that the registration is decisive and binding.

Whenever the number of registrations exceeds the maximum number of 14 participants for this seminar, we will select students based on the following criteria: Grades in accounting classes; motivation letter; current state of master studies.

The **course** takes place on April 27-28, 2022. Students must also attend the **introductory session** on March 09, 2022.

**Please reserve the following dates in your agenda:**

- March 09, 2022, 10:15-11:45
- April 27, 2022, 08:30-18:00
- April 28, 2022, 08:30-18:00

Students who will be presenting send their **slides for their presentations** by **April 22, 2022** (23h59) to mariza.chavezsteinmann@iuc.unibe.ch, so that the slides can be made available to the whole group on ILIAS. Minor adjustments on the slides can be made afterwards; the grades will be based on the versions students present in class.

The **report** has to be submitted by **May 20, 2022** (23h59) to lukas.wyder@fifa.org and mariza.chavezsteinmann@iuc.unibe.ch. Missing the deadline will definitely lead to the attribution of the minimal mark (1.0).