

**COURSE DATA****Data Subject**

|                      |  |
|----------------------|--|
| <b>Code</b>          | 35866  |
| <b>Name</b>          | Negotiation techniques and economic applications |
| <b>Cycle</b>         | Grade  |
| <b>ECTS Credits</b>  | 6.0  |
| <b>Academic year</b> | 2019 - 2020                                      |

**Study (s)**

| <b>Degree</b>   | <b>Center</b>        | <b>Acad. year</b> | <b>Period</b> |
|---|----------------------|-------------------|---------------|
| 1313 - Degree in Business Management and Administration | Faculty of Economics | 4                 | First term    |

**Subject-matter**

| <b>Degree</b>   | <b>Subject-matter</b>                     | <b>Character</b> |
|---|---|------------------|
| 1313 - Degree in Business Management and Administration | 38 - Labour market and economic behaviour | Optional         |

**Coordination**

| <b>Name</b>          | <b>Department</b>      |
|----------------------|------------------------|
| CUÑAT CUÑAT, ANTONIO | 10 - Economic Analysis |

**SUMMARY**

This is an optional subject taught in the first semester of the fourth year of GADE within the mention of human resource management. Matter that relates to this subject includes, besides the subject of negotiation skills and their economic applications, the subject of Labour Economics and the subject of incentives and remuneration systems.

Negotiation is the art and science of creating agreements between one or more parties. This course is designed to allow students a better understanding of the theory and practice of negotiation and the development of negotiation skills. In particular, over the course of negotiation situations recognize and identify their strategic structure. However, the influence of the different trading procedures in the result as well as the determinants of bargaining power to obtain a more favorable result.



## PREVIOUS KNOWLEDGE

### Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

### Other requirements

The prerequisites that the student needs to successfully address this subject are minimal: a level of basic math.

## OUTCOMES

### 1313 - Degree in Business Management and Administration

- Demonstrate capacity for analysis and synthesis.
- Have organisation and planning skills.
- Demonstrate oral and written communication skills in the native language.
- Be able to solve problems.
- Be able to make decisions.
- Be able to negotiate and reconcile interests effectively.
- Be able to transmit and communicate complex ideas and approaches to both specialised and lay audiences.
- Be able to work in a team.
- Have critical and self-critical capacity.
- Manage time effectively.
- Be able to learn autonomously.
- Be able to adapt to new situations.
- Show creativity.
- Show leadership and skills for mobilising the capacities of others.
- Be able to coordinate activities.
- Be able to identify the sources of relevant economic information and their contents, and to understand economic institutions as the result and implementation of theoretical or formal approaches to how the economy works.
- Be able to carry out strategic diagnoses in complex and uncertain environments using the appropriate methodologies to resolve them.
- Be able to make decisions under certainty and uncertainty environments.



- Be able to express oneself in formal, graphic and symbolic languages.

## LEARNING OUTCOMES

English version is not available

## DESCRIPTION OF CONTENTS

### 1. Negotiation: conflict and cooperation.

- 1.1 Introduction
  - 1.2 Negotiation: definition.
  - 1.3 The two approaches to negotiation.
- Basic Bibliography: Olcina y Calabuig, Chap 7.

### 2. The cooperative solution in negotiations .

- 2.1 Numerical example.
- 2.2 General theory.
- 2.3 Bargaining with threats.
- 2.4 Economic applications.

Basic Bibliography: Dixit y Skeath, Chap. 17. Olcina y Calabuig, Cap. 7.

### 3. Negotiation procedures.

- 3.1 Ultimatum bargaining: take it or leave it!.
- 3.2 Beyond ultimatum: negotiations with deadline.
  - 3.2.1 Sequential offers.
  - 3.2.2 Random Offers.
  - 3.2.3 Repeated offers.
  - 3.2.4 Simultaneous offers.
- 3.3 Negotiations without deadline.
- 3.4 Relationship with the cooperative solution in negotiations.

Basic bibliography: : Olcina and Calabuig, Chap. 7. Dixit and Skeath, Chap. 17.



#### **4. Sources of bargaining power.**

- 4.1 Patience and risk of breakdown.
- 4.2 Outside and inside options.
- 4.3 Commitment tactics.

Basic bibliography: : Olcina and Calabuig, Chap. 7. Muthoo, Chaps. 4, 5, 6, 7 and 8.

#### **5. Bargaining with many parties and issues on the agenda.**

- 5.1. Multi-issue bargaining: the agenda.
- 5.2 Multiparty bargaining.

Basic bibliography: Dixit and Skeath, Chap. 17.

#### **6. The information in negotiations.**

- 6.1. One-sided asymmetric information: I know something you dont.
- 6.2 Bargaining with two-sided asymmetric information: we both know something the other dont.
- 6.3 Economic applications.

Basic bibliography: Muthoo, Chap. 9.

#### **7. Negotiation with fairness and equity concerned individuals.**

- 7.1. Selfish individuals versus fairness and inequity concerned individuals.
- 7.2 Ultimatum with fairness and inequity concerned individuals.
- 7.3 Negotiation without deadlines with fairness and inequity concerned individuals.

Basic bibliography: Olcina and Calabuig, Chap. 10.

#### **8. Experimental evidence on negotiations.**

- 8.1. What are the experiments in economics?.
- 8.2 Experimental evidence on negotiations: How individuals behave in negotiations?.

Basic bibliography: Dixit and Skeath, Chap. 17. Brañas, Chaps. 1 and 8.

**WORKLOAD**

| ACTIVITY                                     | Hours         | % To be attended |
|--|---------------|------------------|
| Theory classes                               | 30,00         | 100              |
| Classroom practices                          | 30,00         | 100              |
| Attendance at events and external activities | 0,00          | 0                |
| Development of group work                    | 8,00          | 0                |
| Development of individual work               | 6,00          | 0                |
| Study and independent work                   | 27,00         | 0                |
| Preparing lectures                           | 16,00         | 0                |
| Preparation of practical classes and problem | 10,00         | 0                |
| Resolution of case studies                   | 23,00         | 0                |
| <b>TOTAL</b>                                 | <b>150,00</b> |                  |

**TEACHING METHODOLOGY**

The methodology to teach the subject of Negotiation techniques and its economic applications, both in the lectures and practical classes, is pointing to combine the capacity of individual work to teamwork. More precisely, the methodology used can be described as follows:

- For lectures, the students will prepare in advance the basic readings and the main questions that arise in these readings. The lecturer will combine his explanations with the active participation of students (questions that the teacher and / or its partners can answer, resolution of brief questions raised by the lecturer, group discussion of the issues that have attracted the most interest.) It is intended that students develop both their capacity to autonomous work (work prior to class), and their ability to work together, argue and defend ideas (group discussions) and their ability to communicate orally and in writing (considering their doubts on the subject in public and / or solving the issues the lecturer may have presented to them).

- For practical classes, students will prepare in advance a set of exercises and case studies to work in the classroom. On the one hand, each student must individually prepare these tasks and, on the other hand, each week a group of students will prepare a set of exercises, readings and cases solved and discussed in the classroom for the rest of his class students . Some of the tasks to be performed will be based on the search for information on the websites of recognized institutions and press. It is intended that students develop their ability to organize forms of group work, problem solving, oral and written communication, coordination of activities and find information on reliable sources.





## EVALUATION

The course Negotiation techniques and its economic applications will be assessed by considering, in that order of importance, the following aspects:

- 1.- A written exam consisting of theoretical questions and problems.
- 2.- The evaluation of the practical activities developed by the student during the course, from questionnaires, work / reports and / or oral presentations.
- 3.- Continuous assessment of students, based on participation and involvement of the student in the teaching / learning process.

In the course of Negotiation techniques and its economic applications total assessment is broken down as follows: 30% of the overall mark is the evaluation of the various activities carried out throughout the course and active student participation, and 70% of overall mark is for the final synthesis test.

The final synthesis test is compulsory and to pass it is a prerequisite to pass the course. The subject will be considered approved if the student gets 5 out of 10, for what may combine continuous assessment and the final synthesis test. If the student chooses not to perform the tasks of continuous assessment, he/she can only get the points in the final test (7 maximum), and needs to obtain a 5 out of 7 in the examination in order to pass the course.

## REFERENCES

### Basic

- Conducta Estratégica y Economía, Gonzalo Olcina y Vicente Calabuig, 2002, Ed. Tirant Lo Blanch.
- El Arte de la Estrategia. Avinash K. Dixit y Barry J. Nalebuff, 2010, Ed. Antoni Bosch.
- Bargaining Theory with Applications, Abhinay Muthoo, 1999, Ed. Cambridge University Press.
- Games of Strategy, Avinash Dixit y Susan Skeath, 2004, 2ª Edición. Ed. WW Norton & Company.

### Additional

- Game Theory at Work. James Miller, 2003, Ed. McGraw Hill.
- Game Theory with Economic Applications. H. Scott Bierman, Luis Fernández, 1993, Ed. Addison Wesley.
- Curso de Negociación Estratégica, Alfred Font, 2007, Ed. UOC.
- The Mind and Heart of the Negotiator, 2012, 5ª edición, Ed. Pearson.
- The Strategy of Conflict, Thomas Schelling, 1980, Ed. Harvard University Press.



- Getting to yes, Roger Fisher y William Ury, 1990, 2º edición, Ed. Random House.
- Negotiation Rationally, Max. H. Bazerman y Margaret A. Neale, 1994, Ed. Simon and Schuster.
- The Art and Science of Negotiation, Howard Raiffa, 1990, Ed. The Belknap Press.
- Getting Past No, William Ury, 1999, Ed. Bantam.
- Negotiation, Roy J. Lewicki, David M. Saunders, Bruce Barry, 2009, Ed. Mc Graw Hill.

## **ADDENDUM COVID-19**

**This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council**

**English version is not available**