

Managerial Negotiation (099760)
Professor Ido Erev

The course has two related goals. The first is to review the knowledge accumulated in negotiation research. It considers basic game theoretic analyses, and behavioral economic research that uses experimental methods to study negotiation. The game theoretic concepts that will be examined include: outside options, dominant strategies, backwards induction, Nash equilibrium, self-enforcing agreements, Pareto efficiency, coalition formation, and auctions. We will highlight the conditions under which these concepts are likely to be useful, and their interaction with behavioral factors like cognitive limitations, cooperation, fairness, trust, and individual differences. The second goal is to use in class negotiation simulations to allow the participants to experiment with using the accumulated knowledge in searching for the negotiation strategies that fit them best.