

Interest-Based Bargaining

What is this interest-based bargaining?

Interest-based bargaining (IBB) is a problem-solving negotiating process conducted in a principled way that creates effective solutions while improving the working relationship.

Interest-based bargaining is a process that requires:

- commitment
- each participant respect others and their views
- brainstorming
- a willingness to seek a hidden solution
- exploration
- the participants to change their thinking processes
- listening, really listening, to colleagues & counterpart
- No demands
- a non-competitive environment
- training & retraining
- a great deal of preparation
- participation of everyone

Above all, interest-based bargaining requires absolute trust in their negotiating partners and their counterparts.

Why would you choose IBB?

Advantages

- Mutual exploration of new approaches, not just power
- Increases trust
- Mutual resolution of both party's interests
- Commitment/permanent solution
- Increases knowledge and understanding
- Precedent for future negotiations/relationships

Interest-based bargaining, clearly, is labor intensive, but many report that the results of IBB are well worth the effort. Many who employ IBB find that contracts are negotiated in less time; the agreements are indeed win-win for both labor and management; and each side understands the other's point of view.

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Disadvantages

- Requires more skills and training\
- Possibility of being taken advantage of in the process
- Get caught up in the euphoria and lose sight of the needs
- Time consuming
- The process is not a quick fix
- If process fails, people feel betrayed and relationship is harmed
- Difficulty in discussing monetary issues

4. How does IBB work?

Before the negotiators can begin there are four principles to which everyone must agree:

1. Separate the people from the problem
2. Focus on interests, not positions
3. Generate many and varied possible solutions before deciding
4. Base the results on objective criteria.

After all agree to uphold the above principles, labor and management begin negotiation.

IBB negotiation is organized into five phases:

1. Preparation
2. Opening
3. Exploration
4. Focus
5. Agreement

Preparation

Preparation, also known as phase I, requires both labor and management negotiators to learn about interest-based bargaining. ALL will need workshops and classes to learn how the process works, especially if they have ever participated in traditional bargaining. Once the training is complete, both sides must explain the process to their respective internal constituencies. It is imperative that both parties approve of using the IBB process. Each constituency might oppose the process, resulting in the immediate end to it. Other might suggest that the process continue, but only until the negotiators know what the other side wants. However, if all goes well and each constituency assents to it, it is time to meet and begin the process.

Opening

During opening, known as phase II, each side takes turns framing the discussion. There are no positions given in the opening statements, just the issues, or problems, each side wishes to discuss.

Exploration

Once these issues are broached, negotiators immediately begin phase III, exploration. Exploration is actually a feature of both traditional and interest-based bargaining. The difference is in the number of people involved. In a traditional

bargaining setting, the two chief negotiators meet in private and discuss possible options for the settlement. Exploration during interest-based bargaining is just the opposite; it is a real brainstorming session devoted to listing options to the issues presented in the opening. The facilitator for the session will list the ideas for use at a later time. The brainstorming session will yield many, many possible solutions and variants to each of them. The exploration phase of interest-based bargaining does not aim to reach a compromise; rather, it attempts to create something new by defining a problem and proposing solutions to it.

Focus

Phase IV, focus, begins when bargaining teams acknowledge that exploration has been exhausted and then turn to the solutions generated by phase III. Breakout teams are formed with negotiators from both sides, and these teams will probe the solutions to one or more problems. There will be much discussion and considerable “what if” speculation. This can be either easy or difficult, depending upon the mandates originally given by the constituencies. If the mandate is not positional, then the process can come to fruition; if the mandate is more positional, there is a risk that one or both sets of negotiators will try to keep the focus on one specific solution. The phase IV focus discussions will inevitably give real shape to the process or show the limitations of a superficial acceptance of interest-based bargaining.

Agreement

Once the solutions have been vetted for usefulness, it is time to launch phase V, the process of crafting the final agreement. If the process has been genuine the eventual agreement will be a true win-win contract. There are challenges, however. The first is actually crafting the agreement, which is built on the solutions accepted during focusing; the second challenge can be convincing both constituencies that the agreement is indeed the best one possible. That can be daunting, but with good will and correct management of the bargaining process, both labor and management can succeed. The final aspect of phase V, agreement, is the foreshadowing of contract administration following adoption. If the process has been truly interest-based, contract administration should be fairly simple because, during the focus phase, the negotiators will have discussed each possible scenario and prepared a reaction to it. A labor management committee and Meet & Confer are available to assure continued collaboration between the parties.

What training do I need & how do I get it?

The Bureau of Mediation Services provides IBB training. Training consists of two sessions. The first is a two to three hour overview and exploratory session presented to bargaining teams or other interested parties. It explains the changes entailed in moving to interest-based collective bargaining and the commitments attendant to it. The second session is a full day of preparation for interest-based bargaining.

More information is available at the Bureau of Mediation Services (BMS) website at www.bms.state.mn.us .