

Why Interest-Based Bargaining?

Interest-Based Bargaining (hereinafter referred to as IBB) is a negotiation strategy in which the idea is addressing interests- the *reasons* behind the positions. Addressing interests rather than positions often opens the way to an agreement. When both sides can have open conversations to increase understanding, meaningful and effective bargaining can and will take place. Interest-based bargaining is based on the concept of labor and management acting together as joint problem solvers. The outcome of interest-based bargaining is an agreement which addresses the interests of both sides. Interest-based bargaining is also known as “Win-Win” bargaining, where both sides are seen to be winners in the final outcome.

There are five principles of IBB. Each principle alone has merit, however merging all of these principles into a successful process can lead to an agreement and hopefully an improved relationship.

- 1. Separate the People from the Problem**

Solve the real issue by concentrating on the problem and not on the opposing bargainers. IBB helps to avoid personal attacks.

- 2. Focus on Interests and not Positions**

Positions are predetermined outcomes. Interests are needs, wants and concerns the parties to the negotiation have. By focusing on interests, you are forced to look at the reasons underlying your positions. You are asking why something is needed. Looking at interests is a way to start a discussion of what is really needed, as opposed to positions, which presuppose that one side already has all the answers.

- 3. Create Options for Mutual Gain**

To create options for mutual gain, each side must recognize that there is more than one option to solve a problem. A necessary process for creating these new options is to use brainstorming. This provides an opportunity for the group to come up with the greatest possible number of options.

- 4. Develop your BATNA**

Your BATNA is your Best Alternative to a Negotiated Agreement. This forces you to think through what you will do if an agreement is not reached. It is creating alternatives before you negotiate.

- 5. Define Objective Criteria**

Objective criteria are used by both sides to determine which options meet the needs of the participants and which fail because they do not meet the mutually agreed upon criteria. Some examples of objective criteria are: fairness, legality, cost effectiveness, norms, ground rules, etc. Objective criteria provide an appropriate process for sorting out the options to determine which are the most likely to solve the problem and meet the needs of both parties in negotiations.

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The way to be most successful in using interest-based bargaining is for the participants from both sides to receive joint training on how to effectively use the process. An important part of this training should be aimed at each side gaining an understanding of the principles of interest-based bargaining and how to apply them to a bargaining issue.

Oftentimes, labor and management will use the services of a jointly agreed upon facilitator. A facilitator is often used because the interest-based process is new to both parties and they need someone to help them successfully use the process. The facilitator's role is to assist the parties in using the interest-based process and to act as a quasi-mediator to help the parties reach agreement. For those with strained relationships or those who have never used the process before, the use of a neutral facilitator is very helpful to ensure their success.