

Interest-Based Negotiation: Skills for Discovering Mutual Gain

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Interest-based Bargaining

What is IBB?

A set of *structures, processes, and techniques* that bargainers can choose to use in **grievance handling, contract negotiations, or in labor-management forums.**



Conflict

- ➔ Is not bad.
It tells you something needs fixing.
So, fix it.
- ➔ Each side is one of the other's best resources for resolving the issues.
- ➔ Can be a source of:
 - Learning
 - Better decision-making
 - Improved working relationship.



Characteristics of a Bad Negotiation —

No Settlement is reached because of:

- Destructive interpersonal dynamics
- Failure to discover technical solutions which address each side's needs

OR

Settlement is reached, but:

- The solutions are not so great
- Full compliance is problematic
- Relationship is damaged



And a Good Negotiation ...

- ✓ **Will it work?**
- ✓ **Will people easily go along with it?**
- ✓ **Does it provide for an efficient use of resources?**
- ✓ **Does it improve the relationship?**
- ✓ **Is it better than another alternative?**



L-M Decision-Making

Goal → To reach DECISIONS that:

- Are competent, i.e. solves the issue
- Satisfy concerns of both/all parties
- Are operational, “doable,” understandable
- Carry commitment
- Support good working relationships



Let's Try It. _____

Negotiation Simulation



Bargaining Definitions

Distributive Bargaining
Bargaining to resolve
pure conflicts of interest

Adversarial Assumptions

- For me to win, you must lose – therefore, we compete.
- To help you is a sign of my weakness and will hurt me.
- My power comes from opposing, criticizing & beating you.



Bargaining Definitions

Integrative Bargaining

Bargaining to attain objectives that are not in fundamental conflict.

Integrative Conditions

- Both sides can win without incurring loss
- Interests of each side overlap or are shared
- Interests of each side can be dovetailed and met simultaneously.



Positions & Interests

Position

- Is a single solution to a problem.
- Frequently unacceptable to the other side.
- A position is one option.

Interest

- Is a need, desire, concern.
- Interests have many solutions.



Flaws in Positional Bargaining

- Ignores the effects of the negotiation process on options invented, considered and chosen.
- Ignores the value of relationship.
- Can promote stubbornness, ill will, distrust.
- Discourages communication of interests needed to realize creative inventive solutions.



Interests

An interest is a  **NEED**
CONCERN
DESIRE
FEAR
HOPE } relative to the issue
or problem to be
solved or resolved.

Interests can be solved/resolved by a **variety of solutions**.

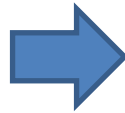
Some of these solutions will be **acceptable to both parties**.

Negotiation is the search for jointly acceptable solutions.



Interest-based Approach

Acknowledges



Each side is one of the other's best resources for resolving the issue.

**Shifts
Bargainers
Roles**



From adversaries to advocates for interests



Negotiation as Problem-Solving_____

- Work to understand the issue.
- Get information.
- Identify solution criteria.
- Brainstorm multiple options.
- Select the best one.



Let's Try It. _____

Negotiation Simulation



Reaching Agreement

BATNA

Best Alternative to a Negotiated Agreement

→ Accept negotiated outcome if it is better than your **BATNA**

→ **BATNA = POWER**



Anchoring

First quantitative offer may lock outcome.



→ Is this bad?

→ What can be done?



Anchoring

- Explore interests first.
- Search for objective standards.
- Let objective standards make 1st offer.
- Explore options.
- Remember your interests.
- Know your BATNA.



Lack of confidence in the integrity of the working relationship drives the parties to the least risk position.



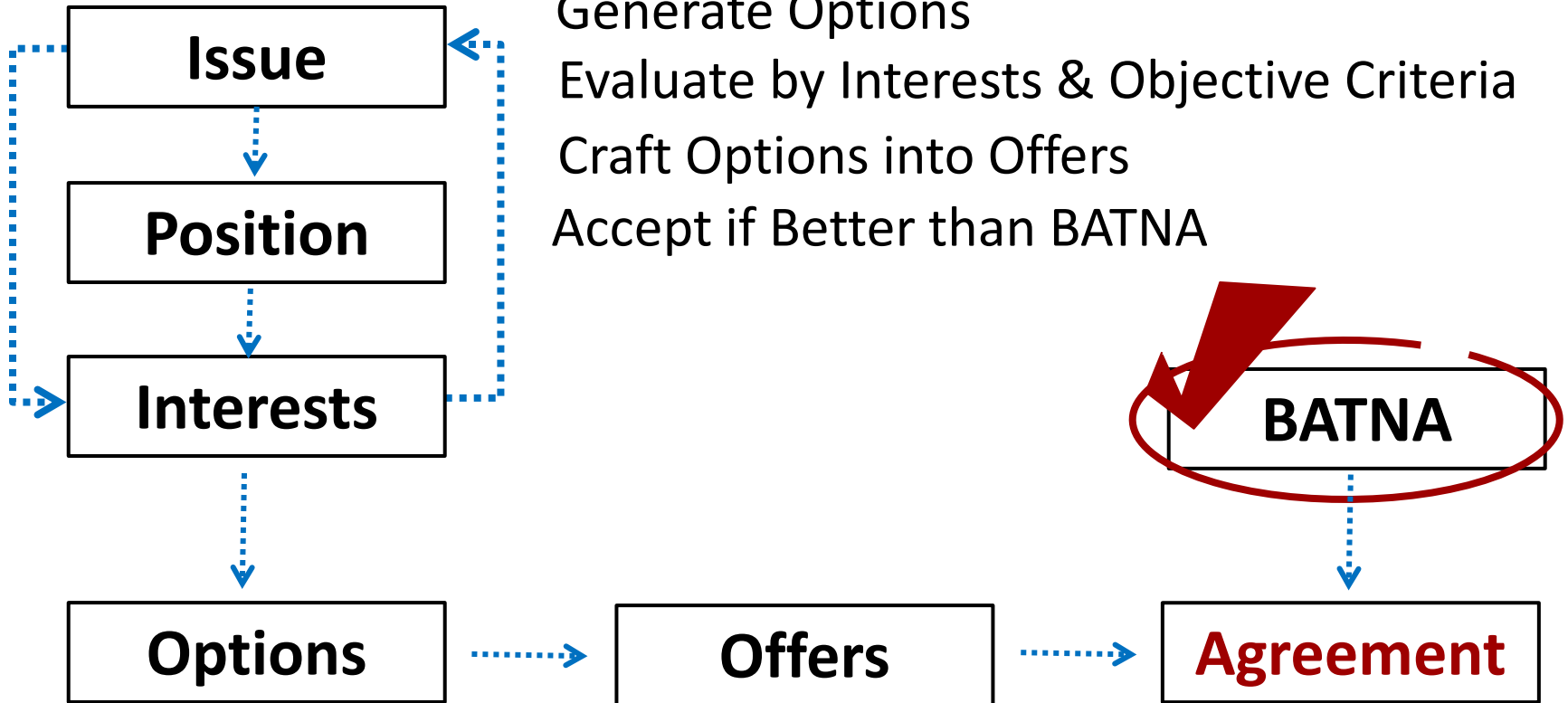
Objective Criteria

- Apply to both (all) sides.
- Are independent of the will (power) of either side.
- Are practical and legitimate.
- Should be jointly agreed to.



IBB in Sequence

Move from Positions to Interests
Get Information/Identify Objective Criteria
Reframe Issue as Problem-Solving Question
Generate Options
Evaluate by Interests & Objective Criteria
Craft Options into Offers
Accept if Better than BATNA



Issue Analysis Format

(Know BATNA before beginning.)

Issue *(one sentence or less description of problem)*

Background *(short discussion of how the issue came to be a problem)*

Interests:

Party A's Interests

Party B's Interests

Obj. Standards/Criteria for Solution *(agree on criteria for narrowing the options)*

Options *(brainstorm a variety of potential options to address interests, criteria and solve the problem)*

Best Negotiated Outcome *(accept if better than BATNA)*



Negotiating Strategies Compared

Positional Negotiation

- Open high or low
- Trade concessions
- Disguise true feelings – wear a mask
- Discredit case & claims made by the other party
- Use tactics to keep the other party off balance
- Insist on bottom-line

IBB Negotiation

- Use objective standards
- Choose from many options rather than splitting the difference
- Speak openly & clearly, describing your interests
- Make sure the other party feels secure & respected
- Evaluate negotiated outcome against best alternative away from the table



Interest-based Negotiation Steps

Prior to Bargaining:

- Clarify IBB parameters
- Agree on protocols: Housekeeping & Groundrules
- Opening discussion: Big Picture
- Identify Issues and exchange issues
- Develop information gathering plan

During Bargaining:

- Categorize and order list of issues
- Use IBB discussion process on each issue
- Craft language and final agreements

After Bargaining:

- Present outcomes to all constituents, jointly or separately
- Constituents ratify agreements
- Optional labor-management activities to implement agreements or continue further discussion of issues

Interest-based Bargaining

