

Interest Based Bargaining: Innovating from the Basics

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Abstract

This paper examines the usefulness of IBB, a relatively recent innovation to collective bargaining, around its ability to result in mutual gains in three areas: the strengthening of the role of unions, economic or bread and butter issues relating to employment terms and conditions and joint employees and employers problem solving on strategic workplace issues. While the research reviewed mostly confirms that IBB results in innovative joint problem solving by employees and employers that support strategic issues; on strengthening of the institution of unions and on economic or bread and butter issues, the usefulness of IBB is contested. On bread and butter economic issues pertaining to terms of employment the view is that IBB results more in concessions for unions. Also, constituents view the quest of common interests by their negotiators suspiciously and so IBB's intraorganizational bargaining capability is considered limited. Finally, on the issue of strengthening of the role of unions, research is inconclusive.

Key words: role of unions, economic issues, strategic issues

1. Introduction

Since the early the 1920s, Collective Bargaining (CB) has experienced a number of changes. These changes have often been due to a mix of internal workplace and external environmental forces. The setting up of War Labor Boards and arbitration under the Protocol of Peace (Cutcher-Gershenfeld, Kochan and Wells, 2001; Jacoby, 1983; Mitchell, 1983) are two examples of such changes to CB. The formation of labor and management cooperation under the War Labor Boards was forced by the need to foster stable and efficient workplace relations in factories during World War II. The arbitration under the Protocol of Peace was a change fostered by the need for stability within the workplace for ensuring consistent and predictable manufacturing output during the 1960s.

More recently, since the early 1990s, CB has experienced another change in the form of the emergence of a "mutual gains" approach to CB, known as Interest Based Bargaining (IBB) (Cutcher-Gershenfeld and Kochan, 2004; Friedman, 1994; Heckscher and Hall, 1994). IBB is an integrative approach that supports management and labor continuing to bargain in good faith on workplace strategic and operational issues by adopting a principled problem solving approach to negotiations, which are aimed at mutual gains for the negotiating parties. Through this integrative approach, IBB also aims at improving the relationship between management and labor.

A number of studies provide useful insights into the merits and limitations of IBB. While IBB may assist in improving relationships and brainstorming on issues, its ability to provide mutual gains in traditional outcomes such as wages, benefits and first contract negotiations is not clearly established. Also, IBB's ability to contribute to the efforts at organizing and establishing unions is still not clear. While there are individual case studies and reviews that examine some of these issues, there is no research that has reviewed existing research and brought it together around these three issues. Therefore, in this paper we review research on IBB around IBB's impact on unions, arriving at mutual gains for management and labor on wage and benefits and on strategic problem solving. Based on this review, we will discuss IBB's usefulness and limitations for labor and management, and policy makers.

2. Collective Bargaining: Industrial Democracy, Economic and Strategic Issues

Collective bargaining (CB) since its inception has progressively evolved to play three functions: providing a foundation for industrial democracy, a rule making mechanism and more recently a dynamic process for strategic partnership between management and labor. CB continues to play an enduring function of serving as the cornerstone of the industrial relations system (Kochan, Katz & McKersie, 1986) and a key foundation piece of industrial democracy for unions (Webb and Webb, 1901). It also serves as a key source of stability between management and labor through a web of rules, independent of the environment (Dunlop, 1958). More recently, CB has evolved to include a dynamic process, responsive to the environment, at three levels: strategy, structure and decision making (Kochan et al., 1986).

2.1 Impact on unions

Unions are complex organizations whose central identity stem from its members' ability to bargain collectively (Kochan, 1980; Webb and Webb, 1902). This ability is rooted in the recognition that workers suffer disadvantages in the labor market (Osterman, Kochan, Locke and Piore, 2001; Kaufman, 1997) that stifle their individual voices and their abilities to individually negotiate favorable terms and conditions of employment. CB helps assuage the disadvantage faced by workers in the labor market based on a freedom to contract principle (Kochan et al., 1986; Webb & Webb, 1902). This ability of union members to bargain collectively differentiates it from other formal or informal groups, such as Quality of Work Life, in the workplace that represent employees' interests (Eaton and Voos, 2004). Historically, this has been a compelling reason for workers forming unions. Innovations to CB over the years have helped keep the institution relevant (Cutcher-Gershenfeld, Kochan & Wells, 2001). There are a number of cases of CB playing a pivotal role in supporting industrial democracy and fostering labor and management partnerships across many industries (Kochan, Adler, McKersie, Eaton, Segal and Gerhart, 2008; Clark, 2002; Rubinstein & Kochan, 2001). According to Walton & McKersie (1965), an important dynamic underlying labor negotiation theory is the members' aspirations and the expectations that members have of their negotiators at the table. Any bargaining approach that does not meet with the members' aspirations and behavioral expectations of the negotiators may result in harm to union solidarity in the long term. CB's history of providing a foundation for industrial democracy continues to be a relevant consideration for unions today. However, since the late 1980s, there has also been a continuous decline in union membership (McKersie, Sharpe, Kochan, Eaton, Strauss & Morgenster, 2008).

2.2 Economic issues

Webb and Webb (1902) conceptualization of unions were based on their view that existing property rights resulted in inequality and power asymmetries at the workplace. However, they also recognized that strikes, as a response to inequality and power asymmetries, were accompanied by negative outcomes which were harmful to both the employee and the employer. Collective bargaining in their view provided a stable way to address the inequality in power between employee and employer. While the Webbs (1902) conceptualized CB in UK, CB was also well suited for the US context. According to Kaufman (1997), CB reaffirms that free contract must rule and should be a product of a reasonable use of bargaining power by each party and the outcome should be reasonable. CB relies on contractual agreements, which is central to the legal system in the US. Thereby it was a system that also fitted the business ideology of the employers. CB in its current form in the US was enacted in 1936 through the National Labor Relations Act. CB has been an important mechanism for setting the bar for wages, benefits and terms of employment. CB has prevented employers from hiring employees at wages and benefits lower than the set level within an industry and thereby taken wage out of the competitive equation. Such economic issues would typically involve what Walton and McKersie (1965) characterized as; items of common concern around which the negotiating parties have a conflict of interest. According to them bargaining during CB on working conditions and economic wages and benefits issues also termed bread and butter issues would be undertaken through a distributive bargaining subprocess in which negotiations are viewed around a fixed pie in which one side's gains is the other side's loss.

2.3 Strategic Issues

Kochan, Katz and McKersie (1986), have extended the role of CB to include negotiation on strategic level issues. This extension involves strategic and operational level common concerns, which are not necessarily in conflict. Addressing such common non-contradicting concerns is necessary to ensure the sustainable adaptation of organizations to highly dynamic environments (Rubinstein & Kochan, 2001; Pacquet, Gaetan, Bergeron, 2000).

For such adaptation around non-contradicting concerns, Walton and McKersie (1965), posit that integrative bargaining subprocesses would typify the bargaining strategy for such items. The integrative bargaining subprocess is based on the premise that both parties interests are served by reaching agreements through collaborative rather than adversarial means around a variable pie that can be expanded and in which one side's gain does not mean the other side's loss (Susskind & Cruikshank, 1987). In the pre 1980s, while most of CB was undertaken through adversarial bargaining, there were pockets of integrative bargaining too (Slichter, Healey & Livernash, 1960; Golden & Parker, 1955). Such an integrative approach is in the interest of the sustained survival of all the negotiating parties. Taken together, we have presented three issues central to CB. CB historically has been an important basis for industrial democracy. It has helped provide stability by providing an acceptable principle for solving economic bread and butter issues. More recently, strategic issues have been considered within CB. These three issues are relevant while evaluating any innovation to CB today. Therefore our review of IBB, a present day innovation to CB, will be around these three issues.

3. Innovations to CB: Early Changes, Environmental Forces and IBB

CB has undergone a number of innovations since its inception such as the setting up of the War Labor Boards and the Protocol of Peace. An interest based approach to CB, since the early 1990s, has been the latest innovation. These innovations have been the result of internal workplace and external environmental forces.

3.1 Early innovations to CB

The setting up of War Labor Boards was an innovation to the institution of CB due to the pressures from the environment stemming from World War II. Another example was the setting up of the Relationship by Objectives program during the 1960s to address the issue of impasses in negotiations (Cutcher-Gershenfeld et al., 2001). Cappeli (1983) and Mitchell (1983) point out that a number of wages and benefits concessions demanded by management and given in to by labor, in the early 1980s, were due to the economic pressures of 1980 – 1983 that resulted in Concession Bargaining. These changes were forced upon management and labor due to a mix of internal workplace and external environmental forces.

3.2 Environmental factors forcing change

After the 1970s, deregulation has increased not just internal competition but has also increased international competition. Investments made in foreign countries requiring quick returns, and one way to achieve this was by bringing wage into the competitiveness equation (Osterman et al., 2001; Cohen & Early, 2000). However, increased competition in the domestic and international markets has also meant that organizations need to learn and respond quickly, and flexibly adapt to market shifts (Cutcher-Gershenfeld et al., 2004). An outcome of these environmental pressures has been a decline in unionization rates through union avoidance strategies. Another outcome is paradoxical, as there is now increased dependence on employee skills for competing in the market (Heckscher and Adler, 2006; Osterman et al., 2001). These two outcomes have forced the traditionally adversarial parties, the management and labor unions, to look for more collaborative routes to managing their differences rather than continue with the earlier adversarial bargaining approach. IBB, which is integrative in nature and moves beyond the bargaining table, appears to have emerged in response to this need in the area of CB. Friedman (1994) and Lax and Sebenius (2002), recommend that achieving such integration requires negotiations that move away from the bargaining table. The former, views IBB from a Dramaturgical perspective as a process that fosters the connecting of front stage negotiations at the table with back stage environments embedded within the negotiation parties constituents. The latter looks at a second dimension of negotiations as deal crafting in which the focus shifts from the mechanics of negotiating at the table to view substantive differences as opportunities for creating greater value through moves beyond the negotiating table that help reframes the negotiations itself.

3.3 Interest based bargaining

IBB, also called mutual gains bargaining or win win bargaining is the most recent innovation to CB.¹ IBB uses the principles that Fischer & Ury (1983) had drawn up in their book "Getting to Yes", which was the first attempt at giving form to the Integrative Bargaining subprocess of Walton & McKersie, (1965).

¹ In this paper, we have reviewed research on IBB. However there are others that suggest CB has undergone other changes too. One innovation being recommended to CB is the adoption of Continuous Bargaining or the Organizing Model of Bargaining. Refer Clements, Laurie, Till-Retz, Roberta and Holub, Dan. 1998. "The new model of bargaining: "Mutual gain" or unilateral loss? A critical view of win-win bargaining". *University of Iowa*. Also, Barrett and O'Dowd (2005), refer to a

In 1989, Jerome T Barrett's model, the Principles, Assumptions, Steps, Techniques (PAST), followed the same Integrative Bargaining model. In 1990, the Federal Mediation and Conciliation Services (FMCS). FMCS specifically reviewed the PAST model and designed a new approach to CB, which was termed Interest Based Bargaining (IBB) (Brommer, Buckingham & Loeffler, 2002).² Since 1990, FMCS mediators have been encouraging both management and unions to adopt IBB not only in CB but also for grievance arbitration and mediation.

4. The IBB Process: Input, Process and Outcome

The IBB process can be understood by viewing it from an input, process and outcome mode. The input relates to antecedents of IBB, the process is the negotiations itself and the outcome relates to the agreement and its impact on employee and employer relationships.

4.1 IBB input

IBB is typically started by first conducting pre-bargaining training for the negotiators and their constituents by external consultants (Bloomer et al., 2003; Friedman, 1994; Heckscher & Hall, 1994; FMCS). Part of the pre-bargaining training requires both parties to reverse roles and simulate a bargaining session in the opposing role. This means that labor bargains as managers and managers in turn bargain as workers. This exercise helps them to see and empathize with the other party's viewpoint. The time and duration of this pre-training varies as some companies have conducted this training a month before the negotiation process begins, and others have conducted it over a period of two years before the negotiations. The pre-negotiation training is important since it is aimed at fostering collaborative problem solving behaviors among negotiators.

4.2 IBB process

IBB process adopts Fischer and Ury's (1983) principled approach to negotiations format. Principled negotiation involves adopting a stance different from hard bargaining that results in damaging the relationships and soft bargaining, which results in concessions. Negotiators are encouraged to use objective criteria, focus on interests and the problem instead of focusing on people, positions and their emotions (Bloomer et al., 2002). IBB also attempts to change the rigid attitude of negotiators motivated by bottom lines by encouraging negotiators to develop a Best Alternative to Negotiated Agreement (BATNA) which fosters flexibility and innovative problem solving, which adversarial positional bargaining does not permit since it emphasizes a positional approach to CB (Friedman, 1994).

4.3 IBB outcome

The outcome from an IBB based CB session is not a voluminous contract but a he short statement of principles (Friedman, 1994; Heckscher and Hall, 1994; Rubinstein and Kochan, 2001). All through this process, the facilitators who can be external consultants or internal employees, acting as facilitators, encourage the negotiating parties not to take up conventional positions. They encourage negotiators to build a relationship and work towards a solution. The goal is that CB agreement, which emerges from the adoption of the IBB techniques results in mutual gains for the negotiating parties and improves relationships between the negotiating parties.

Negotiations under IBB are aimed at being less acrimonious, more innovative and agreements are reached in a timely manner. IBB's ability to move away from positional bargaining and deliver mutual gains that are acceptable to the constituents, and strengthen the institution of unions needs to be examined in order for it to be evaluated. For undertaking this evaluation of IBB, we present our review of the research on IBB around three issues which continue to be central to CB or have become central since the early 1990s: (1) Impact on unions, (2) economic issues and (3) strategic issues.

Modified Traditional Bargaining that is a hybrid bargaining process having both distributive and integrative bargaining subprocesses.

² For a detailed account on the evolution of IBB refer Cutcher-Gershenfeld, Joel and Kochan, Thomas 2004. "Taking Stock: Collective Bargaining at the Turn of the Century." *Industrial and Labor Relations Review* 58 (1); Brommer, Carolyn, Buckingham, George and Loeffler, Steven. 2002. "Cooperative Bargaining Styles at FMCS: A Movement Toward Choices." *FMCS website* and Friedman, Raymond A. 1994. *Front Stage, Back Stage. The Dramatic Structure of Labor Negotiations*. Cambridge, MA: MIT Press.

5. Research on IBB

The existing research reviewed provides consistent evidence that IBB does result in the adoption of innovative contract language on non – economic issues (Cutcher-Gershenfeld et al., 2004; Eaton, Kochan & McKersie, 2003; Paquet, Gaetan and Bergeron, 2000) and problem solving on strategic issues (Worklife Report, 2003; Brommer et al., 2002; Cutcher-Gershenfeld et al., 2001; Friedman, 1994; Heckscher and Hall, 1994). IBB achieves some success on economic issues and strengthening of the institution of unions (Cutcher-Gershenfeld et al., 2001; Clements, Till-Retz, and Holub, 1998; Eaton, Kochan & McKersie, 2003).

5.1 Mutual gains

Research suggests that mutual gains or win-win solutions in IBB are more and frequent than in the traditional bargaining approaches (Cutcher-Gershenfeld et al., 2004; Worklife Report, 2003; Brommer et al., 2002; Cutcher-Gershenfeld et al., 2001; Paquet, Gaetan and Bergeron, 2000; Friedman, 1994). Paquet et al. (2000), matched 19 contracts that were signed based on the traditional approach with another 19 contracts that were signed using the IBB approach. They examined the frequency of changes made under economic, non-economic and unionization categories such as monetary, union recognition, working hours and work organization. They found that there were mutual gains in the grievance and disciplinary category under IBB, while there were none under traditional bargaining. Quebec's Ministry of Labor surveyed 25 employer and 20 union negotiators who represented 32 collective agreements in 2003 that had used IBB during CB (Worklife Report, 2003). This report found that over 93% of the respondents were of the view that IBB did result in mutual gains that were concrete and lasting.

Research also finds that in some cases the initial adoption of the IBB is accompanied subsequently by the concurrent use of the traditional adversarial approach. The Third National Survey conducted in 1999 by FMCS has reported that 60 percent of the respondents, who were the negotiators, reported such a reversion to traditional bargaining. In the same survey, 32 percent of the union respondents and 68 percent of the management respondents reported that there was a reversion to the traditional approach. However, data from FMCS shows that preference for IBB over traditional bargaining among those who had tried it fell from 49 percent to 39 percent among union respondents and from 70 percent to 65 percent among management respondents (Kochan et al., 2004).³

5.2 Mutual gains on strategic issues

Cutcher-Gershenfeld et al., (2004) examined data from the FMCS's the third national survey. Their analysis provides evidence that IBB resulted in increased likelihood of negotiating a new contract language on matters associated with a transformation in labor management relationships. This finding is consistent with the analysis by Cutcher – Gershenfeld et al. (2001) of FMCS's first national survey. IBB provided innovative changes in collective bargaining agreements (Blommer et al. 2002), and these innovations were visible and easy to negotiate on issues of workplace systems, flexibility and new contract language. They also found that changes made to clauses pertaining to joint governance and organizational innovation increased. Paquet et al. (2000) found that IBB also results in more changes in the clauses for contracts negotiated in areas such as work organization, labor relations and grievance procedures.

The Worklife Report (2003) too reported that unions found it easy to negotiate on personnel change issues while the management found it easy to negotiate on hours of work and overtime issues through the IBB route. Organizational change, a high priority issue for both the firm and the union, was also easy to negotiate through this process. Cutcher-Gershenfeld et al. (2001), found a positive relationship between IBB and specific non-economic contractual outcomes. These non-economic contractual outcomes included increased flexibility in work rules, new pay arrangements, language on team based work systems and new language on joint committees resulted through the e IBB process. FMCS survey data had also supported these facts. Working conditions featured in IBB negotiations 14 percent to 26 percent more frequently than in traditional bargaining cases. Similarly, work reorganization featured in IBB negotiations 7 percent to 14 percent more frequently than in traditional bargaining cases. Research consistently supports the claim that IBB does result in innovative contract language that is mutually acceptable to both parties.

³ For a review of the trends in IBB refer the analysis of the first, second and third national survey published by the FMCS in 1997, 2000 and 2004. Also refer a comparative analysis of the second and third national survey by Cutcher-Gershenfeld, Joel and Kochan, Thomas 2004. "Taking Stock: Collective Bargaining at the Turn of the Century." *Industrial and Labor Relations Review* 58 (1)

5.3 Mutual gains on traditional economic issues

There is some evidence of mutual gains associated with IBB and traditional economic outcomes, such as wages, benefits, health and safety issues (Cutcher-Gershenfeld et al., 2001; Clements et al., 1998). A larger proportion of managers rated IBB as excellent and union respondents viewed it less favorably (Cutcher-Gershenfeld et al., 2001). In the same study, they also found that the preference for adopting IBB in a renewal negotiation was lower than that for using it in a first contract negotiation.

Research points out that both management and labor have increasingly started using IBB and the process is more positively perceived by the management than the union leaders (Cutcher-Gershenfeld et al., 2001). (Paquet et al., 2000), found that when IBB techniques were used, then the bargaining resulted in less monetary concessions. However, these findings were not significant. Research shows that under the IBB approach, there were more concessions offered by the unions than in the traditional negotiations. Union gains in working conditions and labor mobility were higher under traditional negotiations than under IBB. Also, FMCS data on wage and pension issues show that bargaining was more under the traditional approach than under the IBB approach. Wages featured in traditional bargaining cases between 11 percent and 23 percent more frequently than in IBB cases, and pension issues 10 percent to 16 percent more frequently than in IBB.

The Worklife Report (2003), establish that it was easy to bargain 4 out of the 14 issues using IBB, but it did not conclude that the remaining issues were particularly difficult to bargain under the IBB. They also found that IBB achieved the objective of making the negotiation more satisfying and lead to concrete and long lasting results. Both sides expressed an interest in extending the use of IBB in a hybrid form along with traditional bargaining in subsequent negotiations and to cover more issues outside the CB process.

5.4 Mutual gains for constituents

While, IBB develops positive relationships between the chief negotiators; the constituents view this positive relationship between negotiators suspiciously (Friedman, 1994; Heckscher and Hall, 1994). The positive relationship fostered through identification of interests between negotiators has a negative impact on the relationship between the negotiators and their constituents. In one case involving Western Technologies, a pseudonym, illustrates this limitation. The lead negotiator deputed by the national union was suspicious of the effectiveness of the process. Even at “Midwestern University”, where IBB was successful in arriving at an agreement, both the union and the administrators faced increasing pressure from the constituents (Friedman, 1994: 200). In one case, the lead negotiators began to empathize with each other’s pressure from their respective constituents,

“Later, however, as its (management) constituents became more active and it (management lead negotiators) faced many of the same constraints, it (management lead negotiators) suddenly gained a great deal of sympathy for the union negotiators’ constituent pressures.” (pp. 200).

However, more recently in a longitudinal in-depth analysis of Kaiser Permanente, McKersie, Sharpe, Kochan, Eaton, Strauss, and Morgenstern, (2008) have found that constituents suspicion is mediated by their experience with IBB. This is a similar finding of Heckscher and Hall (1994) in the case of Shell Sarnia’s experience with IBB. Past experiences with IBB supported by pre-IBB training better prepare constituents for handling the amicable relationships that are forged among the negotiators during the course of negotiations. In the Texas Bell case, the chief negotiators deputed by the National Union had not participated in the IBB training and as a result was not well versed with the IBB approach. Lack of IBB training has been attributed as an important reason for the IBB process failing at the table and with constituents. This was the case at Texas Bell reported by Friedman (1994). At Kaiser Permanente, over 400 potential participants were trained before the start of the negotiation process (Eaton, Kochan & McKersie, 2003). This was a successful attempt at adopting the IBB process at Kaiser Permanente.

5.5 Mutual gains on unionization

Paquet et al. (2000), evaluated the strengthening of the union institution dimension, and found that traditional bargaining and IBB had a different impact on the unionization effort. Clearly issues of direct interest to workers such as pension and wages came up less frequently for discussion under the IBB approach. However since, the finding was statistically insignificant, the scholars did not research the different impact further.

However, where it has been in management's interest there has been support from management for IBB even when it has involved strengthening unions at the bargaining unit level (Heckscher and Hall, 1994; McKersie et al., 2008). For some, IBB through its shared interest approach overlooks the issue of class differences between management and labor and therefore does not help in the building of unions (Clements, Till-Retz, and Holub, 1998; Provis, 1996). Research confirms that IBB provides innovative contract language and innovation around work organization systems that are mutually beneficial to management and labor. On traditional economic issues the process appears to provide some evidence that it results in mutual gains. There is limited evidence that IBB strengthens the institution of unions. We will next discuss this research in relation to impact on unions, economic and strategic issues. We will also link these findings to theoretical recommendations for further IBB innovations and future research.

6. Discussion

Our review of IBB indicates that it is an innovative change to CB that continues to be a source of stability and fosters innovative joint problem solving by employees and employers at the workplace necessary for competing in today's dynamic business environment. IBB has been successfully used in a number of industries and has helped arrive at CB agreements in a timely fashion. IBB is successful in innovating new contract language and negotiating agreement on a number of strategic workplace issues necessary for flexibility. IBB has shown some success on achieving mutual gains on traditional economic issues and limited success in strengthening institution of unions.

Environmental pressures have modified the form of the disadvantages that employees face in the labor market and therefore the areas of conflicting concerns between employees and employers (Osterman et al., 2002; Kochan 2000). Employees face new problems such as work life balance, stress, job insecurity and loss of employee voice. At the same time the dynamic business environment has also made visible areas of common concerns to both employees and employers that are not necessarily contradictory but complementary (Heckscher and Adler, 2006; Friedman, 1994). Adversarial arms-length employee and employer relations come in the way of dealing with these common concerns which are complementary. Walton and McKersie (1965) theorized an integrative bargaining subprocess as playing the function to arrive at agreements on complementary issues. Research has shown that there are substantial gains in productivity and quality when the workforce collaborates with management at the workplace (Rubinstein & Kochan, 2001; Appelbaum and Batt, 1994; Eaton and Voos, 1992,). This is an important argument in favor of the continued relevance of IBB since it attempts to reconcile towards common ground traditionally adversarial parties that have maintained an arms-length relationship, through an integrative joint problem solving negotiation subprocess, which hinges on collaboration between negotiators and their constituents.

However, this integrative property of IBB to get negotiators to collaborate is also its weakness. Issues of common concern that are contradictory, specifically traditional economic or bread and butter issues are a source of strife between negotiators and their constituents during IBB. Constituents often view the collaborative actions of their negotiators with the opposing party's negotiators as a reason for giving in or agreeing to concessions. This pressure from constituents has resulted in a reversion to adversarial bargaining in IBB especially around economic or bread and butter issues are negotiated. This tendency to revert to adversarial bargaining during IBB is often highlighted as a failure of IBB. However, Walton and McKersie (1965) had conceptualized both distributive and integrative bargaining as two subprocesses that would characterize labor negotiations. Any negotiation process will have elements of both distributive and integrative bargaining. Their model also constructed two other subprocesses, attitudinal restructuring and intraorganizational bargaining. The former involves changing attitudes of negotiating parties while the latter involves aligning constituents' aspirations with the negotiated outcomes. McKersie et al. (2008), in their analysis of Kaiser Permanente's (KP) experience with IBB, accounted for distributive bargaining as part of the bargaining process.

They suggest that trust accumulated at KP during the IBB process and its labor management partnership played an important role in holding together the negotiations during the later stages when the distributive bargaining subprocess was more visible around the areas of common concern that were conflicting. Heckscher & Hall (1994) based on their analysis of Shell Sarnia's experiences with IBB have suggested that Level 2 interventions played an important role in the successful use of IBB. These interventions had to be created in a decentralized manner involving continuous bargaining and involving multiple labor management committees at all levels within the organization.

Rubinstein and Kochan (2001), report about Saturn's Labor Management Partnership in using IBB successfully, which also included the use of traditional adversarial bargaining. According to these scholars, the continued relevance of IBB will be fostered where it is embedded within Labor Management Committees such as at Shell Sarnia that Heckscher and Hall characterized as Level 2 interventions, and Labor Management Partnerships such as at Kaiser Permanente (McKersie et al., 2008) and Saturn (Rubinstein and Kochan, 2001).

IBB's emphasis on interests at the exclusion of positions has been critiqued as being counterproductive for the parties involved in negotiations (Provis 1996). This has resulted in IBB being viewed unfavorably among unions. Furthermore the question of IBB strengthening the role of unions has received limited attention (notable exception recently Kochan et al., 2009; McKersie et al., 2008). One of the issues raised by union members is that IBB results in union concessions and is more suitable for management gains. Viewing unions as value added network may be a useful way to leverage differences during negotiations across other unions (Rubinstein & Kochan, 2001). The use of deal crafting techniques, which may expand the pie or value created through agreements that leverage such differences in negotiating parties' interests (Lax and Sebenius, 2002) may result in the increase in the union membership and strengthen the role of unions. The use of a hybrid model which has features of traditional bargaining and IBB during negotiations, may overcome this limitation of IBB. The adoption of continuous bargaining principles specific to union strengthening clauses is a dimension that can be added to the hybrid model.

While there is extensive research that conceptually frames and explains the evolution and content of IBB in today's competitive marketplace, there does not appear to be much research that provides a clear view if it is a model that needs to be adopted over the traditional model. In our view this is not an either or but a both situation. Revisiting Walton and McKersie's (1965) behavioral theory of labor negotiations, we suggest that any examination of IBB needs to account for the four subprocesses, similar to that undertaken more recently in relation to KP by McKersie et al. (2008). Future research needs to examine IBB from a similar perspective: accounting for the four subprocesses within its analysis. The role of Level 2 interventions such as Labor Management Partnerships and deal crafting that leverages differences in interests within IBB are another set of theoretical and practical approaches to identifying options for negotiation on concerns that are based on common and differing interests and that have received limited direct attention. These gaps are potential areas for researchers and practitioners to further develop and make the IBB innovation more relevant. Finally, more research on the effectiveness of tools used to get the negotiating parties to adopt the IBB process, specifically the pre-IBB training is required. IBB has distinct advantages in bringing added gains in some non-economic areas for the unions and a different set of advantages for management. Cutcher-Gershenfeld et al. (2000) alludes that mutual gains being more important than the traditional fixed sum gains in the current environment. The more outcomes that IBB can account for, the more it will contribute to the success of the organizations and strengthening the role of unions.

7. Conclusion

This paper has examined IBB from the viewpoint of its ability to generate positive results for all the parties in the process. The analysis confirms that IBB is an integrative approach that generates innovative solutions to strategic workplace design issues. Research reports IBB provides some mutual gains on traditional bread and butter issues and strengthening the role of unions. Drawing from this research, IBB's relevance can be enhanced through emphasizing its collaborative dimension between traditionally adversarial parties and incorporating Level 2 interventions, such as labor management partnerships and deal crafting techniques that uses the differences in interests to expand value, into its mechanics on union strengthening clauses and bread and butter issues.

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