

# A guide to interest-based consultation

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## A new approach to workplace consultation

**Interest-based consultation (IBC)** is a collaborative approach to workplace consultation.

Workplace consultation happens when employers consult with their employees before making a change to their work circumstances. This would include things like restructuring and redundancies, new policies or procedures, or implementing new technologies.

Employees have their thoughts, concerns and ideas about the proposed changes heard and genuinely considered before any final decisions are made and the change is implemented.

An interest-based approach aims to find a solution that provides **mutual gains**. Mutual gains means that the workplace change in question serves the needs (or interests) of the employer and the affected employees.

To do this, all parties need to understand the proposed change. They should talk about the merits of the proposal itself as well as the effects the change would have. To do this, both the employer and the employees will need to share more information than usual.

IBC works best when the parties provide input that is well-informed and properly considered: this can lead to better suggestions for alternatives or amendments.

Ideally, the IBC process will result in an agreement about whether a change should take place and how it might occur. However, this isn't always possible. An employer may still implement changes even without consensus but, by going through the IBC process, it is more likely that employees will understand the change.

## When to use interest-based consultation

IBC can be used for a range of changes to employment matters including:

- changes to work practices
- the introduction of new technologies
- health and safety

- training initiatives
- general business processes.

There is increasing evidence that great workplaces – productive workplaces where people enjoy working – are built on trust, respect and good communications.

A great workplace requires continuous and constructive dialogue between the main stakeholders (mainly employers and employees, often supported by unions) on all matters where they may jointly contribute to good work outcomes. Consultation can and should be a consistent feature of workplace engagement.

All modern awards include consultation obligations. All enterprise agreements are required to have a consultation clause that deals with workplace change.

## **Why use interest-based consultation?**

It's a good thing for people to have an opportunity to shape decisions that affect their lives, in the workplace and everywhere else.

Genuine consultation can lead to better outcomes by involving the people affected by a decision. Listening to the views of everyone affected can give decision-makers more perspective and a stronger fact base. It can also allow them to accommodate additional interests. Employees know their workplaces.

There are a number of potential benefits to using IBC. IBC can:

- lead to better solutions – with more information available, solutions are better-informed
- create stronger ongoing relationships between the parties – they have worked together with a common purpose
- increase respect and trust between the parties – they have openly declared their common and conflicting interests. There are no hidden agendas
- improve relationships more widely in the workplace – affected groups witness a consultation process based on open communication and mutual respect
- improve acceptance of necessary change – people may resist decisions that have been imposed upon them
- improve problem-solving capacity within the workplace.

## **Is it the right approach for your workplace?**

Employers and employees who have a good relationship should consider IBC.

IBC involves a high level of information-sharing and genuine communication, so trust and respect between the parties is important.

IBC will be difficult in workplaces where relationships are strained or where there is distrust between management and staff. However, IBC can play a role in improving difficult relationships.

**We can help** The Commission's [Cooperative Workplaces](#) program is available to workplaces that want to try IBC. A Commission Member works with the parties to deliver training and help with facilitation. The program is free.

## A suggested model

The model below can be useful for parties wanting to use IBC practices in their workplaces.



### Culture

Promote a model of workplace consultation based on mutual gains (interests) between parties.

Encourage a workplace culture where employees have a voice and where their interests are independently represented and articulated.

Use consultation as a way for employees and employers to communicate and engage with each other.



### Training

Provide training for consultation representatives.

**We can help** The Commission offers free training for workplaces that want to try IBC. Find out more about our [Cooperative Workplaces](#) program.

## Parameters

Agree on a shared understanding about what IBC means for your workplace and some general rules for the consultative process.

This may include:

- a definition of consultation
- a generous scope for consultation subject matter
- a commitment by the parties to share information necessary for effective consultation
- an outline of the steps in the consultation process, incorporating goal-achievement, problem-solving and the balancing of effective participation with efficient decision-making
- appropriate dispute resolution mechanisms.

## Expand

Work towards using IBC for most of the dialogue and agreement-making that takes place between the employer, the employees and their representatives.

Promote an interest-based model of bargaining.

**Find out more** Read our [Guide to interest-based bargaining](#)

## Features of a successful model

A successful IBC process will:

- usually be ongoing and extend to anything important at work (ie all matters of mutual interest)
- often include research from both parties (if required and if time permits)
- involve collaborative problem-solving as parties consider the change
- be fit for purpose – flexible and responsive or intensive when necessary.

Successful consultation usually results in an agreement between the parties.

However, this doesn't always happen. Sometimes parties can't reach an agreement, even after genuinely attempting IBC.

This doesn't mean that the IBC process was unsuccessful. The parties must think long-term and weigh the cumulative value of the process over time.

IBC, like all consultative processes, can be difficult and may not always run smoothly, especially in the beginning. Parties should try to be resilient.

**Tip:** Identifying the cause or source of a problem can provide clues to possible interventions. For example, if the underlying problem is a communication problem, that may be where the solution lies.

### Trust & respect

Parties will need to have or build trust and respect for each other in order to successfully explore and develop processes that can achieve mutual gains.

**Tip:** Good listening skills can help build trust. Use open body language. Ask open questions. Avoid judgment. Acknowledge and summarise what has been said. When summarising, use language that neutralises or reorients what has been said from negative to positive (this is also called reframing).

### Consensus-seeking engagement

A commitment to consensus-seeking is not a commitment to consensus. Reaching consensus is a goal but not an obligation.

IBC is not co-determination. The approach still recognises that management can make the final decision if an agreement can't be reached.

### Scope of consultation

The scope of consultation (or what is being discussed) should include every matter of mutual interest between the parties.

When deciding what matters are discussed and how, the parties may consider: how important or relevant the matter is, what resources are required, or how practical or efficient the decision-making process may be.

The aim should be to include rather than exclude issues in the consultation.

**Tip:** Think about the context this problem has arisen in. Establishing a common view of these things will help reduce disagreements as interests and solutions are being discussed.

## Information sharing

IBC involves working collaboratively to address goals and issues, so it's important that all parties share information with each other. Sharing information helps identify problems and achieve better solutions.

## Joint research

All parties should undertake research to help inform the decision-making process. Joint research between the parties can help identify important facts about the issue as well as build trust. If only one party undertakes the research, the findings may be seen as favouring a particular outcome.

## Problem-solving

Collaborative problem-solving is a key feature of IBC.

**Find out more** Read our [Guide to interest-based problem-solving](#)

## Efficiency in decision-making

Inefficient processes can be clunky, costly and impact the success of the consultation. It may be challenging: a commitment to efficiency requires discipline and engagement from all parties in order for the process to deliver in full and on time.

Efficient decision-making uses the least amount of input to achieve the greatest output. Matters can be addressed in different ways based on their significance:

- Minor matters may be dealt with in informal exchanges between parties
- Mid-range matters may be dealt with in efficiently run meetings (informally or formally)
- Major matters should be properly researched and problem-solved in a way that is time and cost-effective.

## Choosing your consultation representatives

Consultation representatives could be a union or an employee representative. A good consultation representative will have demonstrated or potential consultative skills.

Representatives can improve their skills by training in consultative processes. Training may involve scenario-planning, problem-solving, subject matter expertise, and a discussion of the benefits of incremental gains.

Good consultation representatives are good problem-solvers, either by nature or by

training. They bring a mix of patience and imagination to the exercise.

Consultation representatives need to have a good knowledge of the operating environment in order to engage in constructive dialogue that benefits all parties.

They should have some basic financial literacy skills in relation to fundamentals such as reading balance sheets, profit and loss statements, and cash flow positions. They should also understand the drivers and strategic challenges of the particular organisation or business. These things enable representatives to consult effectively, while keeping in mind the long-term effectiveness, competitiveness and sustainability of the organisation or business.

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This guide has drawn on inputs from Clive Thompson of CoSolve – [www.cosolve.com.au](http://www.cosolve.com.au)