

# A guide to interest-based problem-solving

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## A new approach to solving problems at work

**Interest-based problem-solving (IBPS)** is a way of addressing existing workplace disputes and pre-empting future ones.

It is a collaborative approach to problem-solving. Stakeholders work cooperatively with each other to solve a problem or realise an objective.

It starts when a goal or issue arises:

- First, the parties must gather together. This includes those with an interest in the matter and those best equipped and suited to tackle it.
- The parties then need to jointly clarify the goal or issue. In order to understand all the relevant perspectives, they need to understand the facts. This means they need to gather relevant information from all sides.
- Then comes a process of brainstorming, generating possible solutions, testing those possible solutions against criteria, and working towards an agreed outcome that will achieve the goal or solve the problem.

IBPS requires creativity and teamwork.

## Different types of interests

IBPS recognises that parties have not only competing interests, but also shared interests and sometimes just different interests. Parties must be willing to accept and understand these distinctions.

In some workplace situations, the interests of the parties may be aligned. For instance, in promoting mental wellbeing amongst employees.

In other cases, the interests may diverge. For example, management might need to serve customers on a Sunday but the workforce needs to have time with their families. These are competing interests and it's important for all parties to be aware of them.

**Tip:** It's often easier to work on shared interests than on competing interests, so start there. Working on shared interests creates value which can make it easier to reconcile competing interests later.

## Why use interest-based problem-solving?

There is a growing body of evidence that shows 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.

Genuine collaborative problem-solving should lead to better outcomes by involving the people affected by a decision.

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

- lead to better solutions – more information has been made available so 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 have witnessed a 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.

### Find out more

Read our [Guide to interest-based bargaining](#) and [Guide to interest-based consultation](#)

## Is it the right approach for your workplace?

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

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

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

### **We can help**

The Commission can help workplaces that want to try interest-based problem-solving through our free [Collaborative Approaches Program](#).

## **Before you start**

When a problem emerges and a solution needs to be found, it is important to involve the right people.

Involve people who:

- have subject matter expertise
- are affected by the problem
- are well placed to contribute to a solution
- have some expertise in the IBPS process
- are committed to achieving an outcome.

Choose someone to take the lead on establishing the process.

Invite the parties to participate. The invitation should encourage parties to give their informed consent to participating in the process. Informed consent means that they understand the process and genuinely want to participate.

All people involved in the process need to understand the basic principles of IBPS. This will likely involve training, especially for people who are involved for the first time.

Set ground rules for respectful, imaginative and disciplined engagement, and make sure they're understood and agreed to by all the participants.

Appoint a suitable chairperson or facilitator.

### **We can help**

The Commission's [Collaborative Approaches Program](#) helps workplaces that want to try IBPS. A Commission Member will work with the parties to deliver training and help with facilitation. The program is free.

## A suggested model

Our suggested model has 9 steps:

1. Identify and define the issue
2. Identify the stakeholders
3. Determine the interests of the stakeholders
4. Gather relevant data
5. Generate possible solutions to solve the problem
6. Develop and apply criteria to test the possible solutions
7. Agree on the best option
8. Trial the solution
9. Implement the solution

### Step 1: Identify & define the issue

Agree on what the problem is. Different parties may have different ideas about what the problem is, so it's important to make sure everyone is on the same page at the start.

It can be useful for the party who initially identified the problem to explain the factual background, how the problem emerged and its context. The problem can then be questioned and discussed until it can be agreed on.

It can help to write down the problem as a statement once it's agreed on, so that the group can refer to it during the process and refine it if needed.

The statement should be framed as tightly as possible, and clearly capture the key issue or issues to be addressed. It often works best to frame it as a question to be solved.

After this, the group can determine if anyone else needs to be included in the discussion, or if there are people there who don't need to be. It is important that the right people are involved.

Then the group can form supplementary ground rules and identify what information and resources are needed.

If there is conflict at the table, think about what type of conflict it is: is it technical, interest-based, data-based, values-related, relationship-based or structural? Does it relate to what is being done or being proposed or does it relate to how things are being handled (ie the process)?

**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.

## Example: The Best Hotel

### Identifying & defining the issue

Staff at The Best Hotel want childcare facilities. Management are meeting with employee representatives to discuss the request.

Data shared at the meeting revealed that 75% of employees have children under the age of 5. Staff turnover is very high and recruitment to replace staff is failing. The employee representatives say that 24/7 on-site childcare is the only solution.

Management have been instructed by the company board to contain costs and won't agree to implement the change. Employees are unhappy that management have refused to genuinely consider their proposal. Management and staff are at an impasse.

In order to move on from here, the parties need to reframe the issue. They look at the problem from a different angle by asking instead:

- How can we reduce the turnover of staff?
- What can be done to help staff with their work-life balance within the current budgetary restraints?

## Step 2: Identify the stakeholders

Identify all stakeholders with a clear interest in the matter and consider their interests.

It may help to ask:

- Who is affected by the problem?
- Who can help with developing solutions?
- Whose support is required to implement solutions?

The stakeholders who have the greatest interest in the issue are probably already present or represented in the problem-solving group.

The group should think about all the stakeholders when coming up with a solution. There will be stakeholders outside the process whose concerns might need to be considered, such as:

- stakeholders who the parties have a moral obligation to (such as family)
- stakeholders in positions of authority who will need to approve outcomes
- stakeholders who have legal rights that need to be considered.

There may also be people who can help promote the solution to others. For example, the local community may have an interest in the problem and be able to impact the success of the agreed outcome.

It can also be helpful to consult members of the wider stakeholder group during the process about some or all of the solutions being considered.

It might also be helpful to think about possible reactions to the solution if implemented. This can help the group prepare for the reactions, consider appropriate responses, or even reconsider the solution.

## Example: Metal Makers Manufacturing Identifying the stakeholders

Metal Makers Manufacturing is a fabrication plant located in an industrial estate. The local bus company has advised the business that their service timetable will change, meaning that the last bus from the industrial estate to the railway station on weekends will be at 7pm. Employees who work overtime on Saturdays will now have to walk to the station.

Since overtime is voluntary, management are worried that this will reduce their available labour supply. The union representing the employees has also raised concerns about the safety of staff walking to the station after dark. As winter approaches and the weather turns cold, employees might decide to opt out of Saturday overtime work entirely.

**Immediate (or core) stakeholders**      The management and the employees who face the problem. These stakeholders should be at the problem-solving table.

**Second-tier stakeholders**      The bus company management. Some solutions may be within the bus company's control, and some outcomes may have an impact on the bus company.

Other employers and employees on the industrial estate whose interests are also affected may be counted as second-tier stakeholders too. Sometimes it is appropriate for these stakeholders to be at the table.

**Third-tier stakeholders**      Includes the families of the employees. These are stakeholders who are removed from the workplace but are still affected by the developments. These stakeholders will rarely be at the table but their interests may still need to be considered.

### Step 3: Determine the interests of the stakeholders

**Interests** underly claims. They may be needs, concerns, worries, competing responsibilities, priorities or any number of things. **Positions** are demands or claims for things that a person thinks will make a problem go away.

Interests are more deep-seated than positions. Problem-solvers need to clearly understand the interests of each party so that they can develop solutions that meet these underlying interests.

#### Test: Is it a position or an interest?

Positions generally only permit one solution: the claim or demand itself, or a compromise of that claim.

Interests can nearly always be addressed in a number of different ways.

It can be hard to recognise and define your interests if you are used to dealing with positions. If this is the case, it might help to practice reframing, with the assistance of a trainer or facilitator.

**Tip:** Positions are always visible but interests often aren't. Open the conversation. Ask questions respectfully. Understanding what a person hopes for or is afraid of can lead to an understanding of their interests. Asking about the risks and opportunities of a particular position often leads to interests.

#### Example: Calls Central Identifying the interests of the stakeholders

Calls Central is a call centre. Annie is a call centre operator and Tim is Annie's manager.

Annie's elderly mother has broken her hip. Annie is worried about caring responsibilities while also caring for two children. Annie asks Tim to go part-time.

Tim doesn't want Annie to go part-time. The call centre has just rolled out a new sales campaign and they need all staff to commit to full-time hours. Tim is particularly reluctant because Annie is an exceptional employee who trains and coaches staff and keeps them motivated.

The key stakeholders include Tim, Annie, Annie's mother and Annie's children.

Annie's position is to go part-time. Annie's interests are caring for family and supporting their needs, job security and her own health and wellbeing.

Tim's position is that Annie stays full-time. Tim's interests are making company targets, ensuring smooth operations and retaining Annie as an exceptional staff member.

There are a number of ways to consider these more deep-seated interests to develop solutions that provide mutual gains: that is, gains for both Tim and Annie.

## Step 4: Gather relevant data

The parties need to identify what information they need to tackle the problem effectively. This should happen at this stage but can also happen at any stage throughout the process, particularly when they identify gaps in information.

Parties will commonly find information outside the group.

Sometimes parties may need to undertake a serious piece of research. This should be jointly commissioned.

The group should agree on what steps need to be taken to find the missing pieces of information, while keeping in mind cost-benefit considerations.

### Example: Calls Central Gathering data

Staff turnover at Calls Central is unsustainably high.

The problem-solving parties gather data on the rate of staff turnover, average duration of employment, costs associated with recruitment, employee satisfaction surveys, and exit interview comments.

## Step 5: Generate possible solutions to solve the problem

The group will now spend time coming up with possible solutions that address the problem and also meet the different interests of the stakeholders.

A joint brainstorming session is a good way to do this. The group should aim to come up with as many ideas as possible. The session should encourage 'wild ideas'. No idea should be rejected or belittled. Even if an idea seems farfetched, it may lead to other ideas.

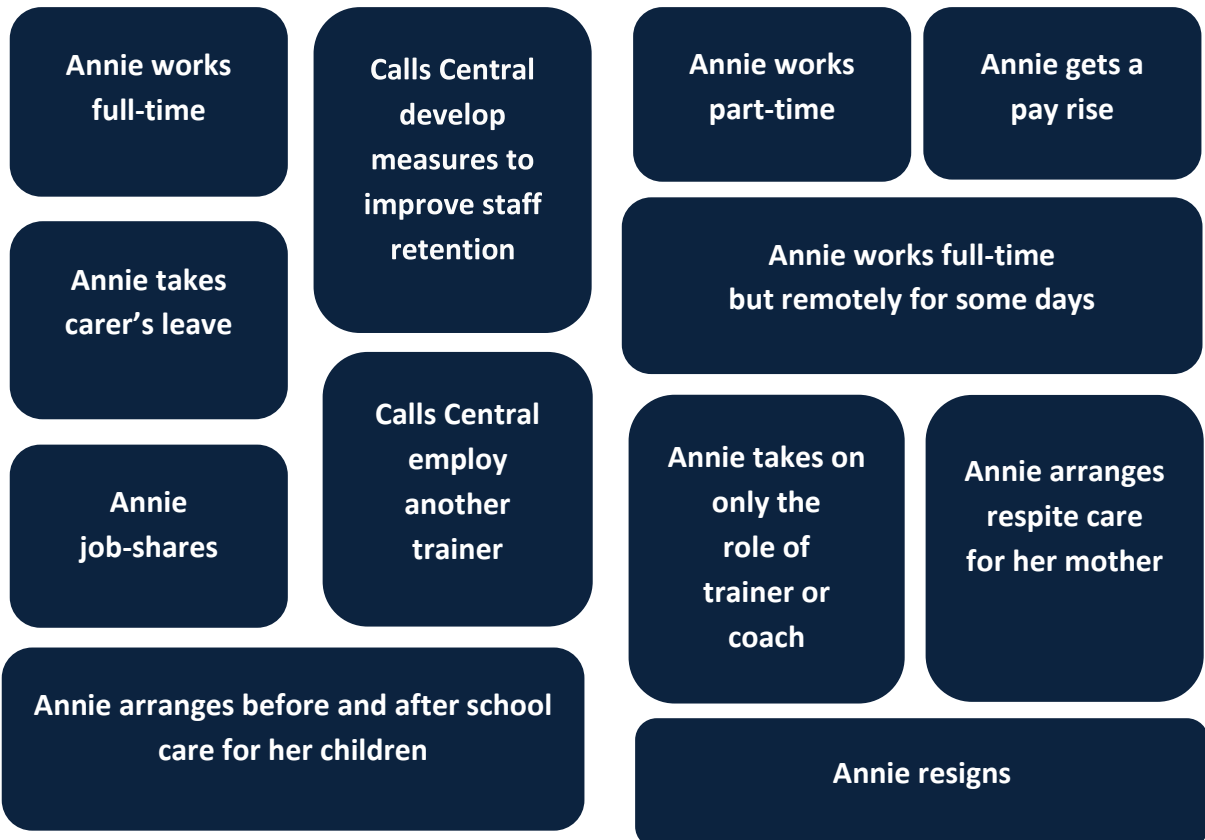
Even though brainstorming should test the boundaries of what's possible, it also requires that you closely listen to people who have subject matter expertise. This combination is most likely to produce the most innovative solutions.

The group should write each idea down, but not attribute any idea to a particular person or stakeholder group. When the group assesses the ideas later, each idea should stand or fall on its own merit, not on the strength of the credentials of whoever suggested it.



## Example: Calls Central Generating possible solutions

Calls Central generate the following possible solutions:



Many of these only represent a partial solution. They can be grouped together to create a solution that better meets the identified interests.

For instance, Annie may be given carer's leave as well as a pay rise as an incentive to return to work, and another part-time trainer may also be employed to provide extra support to Annie.

### Step 6: Develop & apply criteria to test the possible solutions

After the group has brainstormed a range of possible solutions, they should narrow down the solutions to those which could possibly be implemented. To do this, the group should assess each solution against a set of agreed criteria.

Criteria may be general, such as that the solution must be feasible, beneficial, acceptable, legal, affordable, ratifiable, implementable and safe.

Sometimes criteria aren't entirely objective. For example, if parties have different views of what is 'affordable', it can be more helpful to specify a cap on expenditure. The more specific the criteria can be, the more useful they are in judging the possible solutions.

Then the group should develop a set of criteria that is specific to the problem in question.

The most important criteria that should be applied in all cases include:

- Does it meet the critical needs of the parties?
- Does it reconcile any conflicting interests?
- Does it solve the problem?

### **Example: Metal Makers Manufacturing Developing & applying testing criteria**

Metal Makers already have a set of general criteria that they apply to all problems.

They develop some additional practical criteria for the problem of the Saturday night overtime and changes to the local bus timetable:

- The maximum additional time an employee spends on travelling to the station must not exceed 10 minutes
- The solution must not include the employees being exposed to wet weather
- The employees must not have to pay anything more than they were paying for the bus fare.

## **Step 7: Agree on the best option**

If possible, all parties should agree on the option that is eventually chosen as the solution.

The facilitator's role is to keep the parties focused on solving the problem stated at the outset.

The solution may end up being a combination of things.

The final decision may not be each party's first choice but everyone must be able to say they can live with and will support the decision.

### **If the parties can't agree on how to solve the problem**

If the parties can't agree on a solution despite best efforts, the problem-solvers may need to go back to earlier stages of the process. For example, they may need to gather more data or generate more possible solutions. They may require more expertise. The influence or

authority of people outside the room may need to be introduced. It might be helpful to use a mediator.

If the parties still can't agree on how to solve the problem, it's likely one of two things will happen:

- the parties stop looking for a solution and nothing changes
- one party (generally the employer) decides on a solution without agreement from the other stakeholders.

### **Example: Metal Makers Manufacturing Agreeing on the best solution**

Metal Makers agree that the best solution for the company is to buy a 20-seater bus. The shift supervisor will drive the bus to transport employees to and from the station when they work regular late shifts or overtime. Regular late shifts are extended by 10 minutes to allow better housekeeping to be carried out at the end of the shift.

A cost-benefit analysis revealed that the cost of the bus amortised over its useful life would be more than offset by the improved productivity on the late shift. In addition, employees were more satisfied with the transport arrangement as it was free and more comfortable than the commercial bus.

## **Step 8: Trial the chosen option**

This is an optional step. It can be helpful to trial one or more possible solutions without any obligation to fully implement the change. This can be useful when:

- there is uncertainty about whether the chosen option will work
- there is concern that the option may cause unintended consequences
- consensus on the selected option is fragile.

If a trial is agreed to, the stakeholders will need to establish a timeframe for the trial period and how its success or failure will be measured. They will then need to review the results of the trial at the end.

Once the results of the trial have been reviewed, the parties will either be able to:

- implement the solution as is
- adjust the original proposal before implementing it, or
- discard the proposal because it hasn't worked.

## Step 9: Implement the solution

The final step is to implement the solution. Consider developing a project plan with action steps, accountabilities for specified persons, budgets and timelines.

Depending on the scale of the solution, it can be useful to put together a group of people to oversee the implementation. This group would be responsible for:

- driving the actions needed to implement the solution
- dealing promptly with resourcing and implementation challenges as they emerge along the way
- communicating with the stakeholders on the progress of the implementation.

The group may recommend that the solution is implemented in stages, or that the workplace runs a pilot before rolling out the solution across the organisation. A pilot is different to a trial: a pilot is a planned stepping-stone on the way to rolling out a full system rather than a test to validate a proposal.

It can also be valuable to set milestones and review points. This will help all the parties to know whether the implementation is on track.

## Using an interest-based approach for more than just problems

Most workplace issues that present as disputes can be dealt with through a problem-solving process. This guide explains how to use IBPS for resolving stand-alone disputes, but the technique can be used in almost any situation.

While collaborative problem-solving can be used as needed to deal with particular challenges, ideally it will become embedded in the organisational culture. This means using it for more than managing conflict and using it to build better workplaces.

**Tip:** Reality test your solutions by preparing an implementation plan. Consider the what, why, who, when, where and how of the solution. Doing this can help you determine whether a solution is practical and make adjustments if necessary.

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