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Initiative

Galvis City Schools Collective Bargaining Simulation

Educator Guide

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Exercise Overview

This is a seven-party exercise, with six negotiators on two teams and one facilitator. Representatives from a large school district and its affiliated teachers' union must negotiate for three rounds. The Mayor serves as a facilitator and convening presence in all three rounds and does not vote on any deals. The simulation takes place over three years, the length of the fictional contract implementation cycle.

In Round 1, parties are tasked with negotiating a full collective bargaining agreement. Historically, the school district and union have worked collaboratively on these contract renegotiations. However, teachers are frustrated with their comparatively low salaries and the previous superintendent's anti-union sentiments.

This negotiation includes three negotiators from the district and three negotiators from the teachers' union. The six negotiating parties and the Mayor are presented with five key agenda items (salary, observation policy, layoffs policy, bonus pay, and incentive pay), and it is left to their discretion to add additional issues or ignore key items. Parties are provided with enough information to infer what would be reasonable spending; however, the simulation is explicitly designed so that negotiators are not preoccupied with a spreadsheet. Instead, the simulation pushes negotiators to consider the interests underlying their financial positions and make reasonable decisions based on the information provided to them. If no agreement is reached in Round 1, teacher pay is frozen, and the current contract continues.

In Round 2, a financial crisis has hit the United States, destroying state and local budgets and forcing the Galvis City School District to issue reduction-in-force notices (RIFs) to teachers. Negotiators face uncertainty over how many layoffs will be required to meet a state-level budget shortfall and decrease in education spending. There is also uncertainty over whether the governor will intervene and delay a strike. Round 2 of the simulation gives the school district and union an opportunity to negotiate the burden of layoffs between teachers and the central administration, though the school district has no legal obligation to lay off administrators in response to a budget shortfall. If negotiators do not reach agreement in Round 2, the governor could intervene and delay a strike, diminishing the union's momentum.

Round 3, nearly three years later, requires the same participants to renegotiate the full collective bargaining agreement, noting the same five key agenda items from Round 1. Given the financial crisis, there is a narrower zone of possible agreement (ZOPA) on budget items.[i] Also, the union is less willing to compromise after teachers bore the burden of the budget shortfall in Round 2. If negotiators do not reach agreement in Round 3, the union will likely decide to strike.

This exercise simulates public sector labor negotiations in twenty-first century America. The negotiation is set against a real-world backdrop of intensifying labor activism in the form of #RedforEd, high-profile urban labor disputes, and the potential damage of an economic downturn on city labor

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[i] ZOPA is further explained here: https://www.pon.harvard.edu/daily/business-negotiations/how-to-find-the-zopa-in-business-negotiations/.

markets.[ii] As in the real world, sides are not monolithic in this simulation, and cross-cutting coalitions are possible.

Round-to-round, individuals are updated with new information—in the form of emails from colleagues and friends—that shifts their preferences or adds context to issues available for discussion. Furthermore, each round builds off the tone set in previous discussions, complicating an otherwise-straightforward contract negotiation.

Learning Objectives

This negotiation exercise, "Galvis City Schools Collective Bargaining Simulation," will help students and city leaders:

o   Manage internal and external negotiations.
o   Manage long-term relationships in iterative decision-making.
o   Manage uncertainty and increasing complexity.
o   Reach agreement with opposing parties despite historical issues of mistrust or absence of trust.
o   Facilitate negotiation by assisting parties in effective communication and listening, creating a helpful process, generating options, clarifying decisions, and drafting agreements.

Mechanics

Time required: **6-7 hours, can be split over multiple days**
45-60 minutes: Round 1 preparation (preferably outside of class)
60 minutes: Round 1
45 minutes: Round 2 preparation
60 minutes: Round 2
15 minutes: Round 2 debrief
45 minutes: Round 3 preparation
60 minutes: Round 3
45-60 minutes: final debrief

Group size: 7 roles; option to add a co-facilitator (8 roles)
-   The Mayor's role can be doubled so that the Mayor and their Chief of Staff co-facilitate the negotiations. In this scenario, the Mayor and Chief of Staff receive the same information.

Materials: Round 1:
General Instructions for all participants
Confidential Instructions for Superintendent
Confidential Instructions for Chief Counsel

[ii] In early 2018, a grassroots movement known as "Red for Ed" began in right-to-work states, where collection of non-member dues had always been illegal. Rallying teachers and supporters under the social media hashtag #RedforEd, this movement culminated in a two-week walkout by thousands of crimson-clad teachers in West Virginia, without national union endorsement and in defiance of state law. The movement led to a number of concessions from the state and fueled copycat movements under the same banner across the United States, especially in light of the US Supreme Court's *Janus* decision (explained on page 10).

Confidential Instructions for Chief Budget Officer
Confidential Instructions for Bell Harbor High School Teacher
Confidential Instructions for McKinsey Middle School Teacher
Confidential Instructions for AEU Vice President
Confidential Instructions for Mayor
Results Sheet
Preparation Template

Round 2:
Confidential Instructions for Superintendent
Confidential Instructions for Chief Counsel
Confidential Instructions for Chief Budget Officer
Confidential Instructions for Bell Harbor High School Teacher
Confidential Instructions for McKinsey Middle School Teacher
Confidential Instructions for AEU Vice President
Confidential Instructions for Mayor
Results Sheet
Preparation Template

Round 3:
Confidential Instructions for Superintendent
Confidential Instructions for Chief Counsel
Confidential Instructions for Chief Budget Officer
Confidential Instructions for Bell Harbor High School Teacher
Confidential Instructions for McKinsey Middle School Teacher
Confidential Instructions for AEU Vice President
Confidential Instructions for Mayor
Additional email if no deal in Round 2
Results Sheet
Preparation Template

Synopsis of Rules

In this exercise, each role receives some personal background information as well as emails from staff, co-workers, teachers, parents, friends, and other potential stakeholders. Negotiators must interpret this information and assess how to incorporate the information into a sustainable deal.

Galvis City School District (GCSD) Negotiating Team:

Superintendent for Galvis City School District
> The Superintendent was recently appointed by the school board after their predecessor was forced to resign. They have worked in GCSD for many years as a teacher, principal, and central administrator. While the last contract negotiation was uncontentious, the district-union relationship has become tense in recent years. The Superintendent hopes to repair that relationship and build goodwill with the union while also fulfilling a reform-minded, student-centered agenda. Additionally, they want all three members of the district team to be united.

Chief Counsel for Galvis City School District
> The Chief Counsel is a former high school science teacher who left the classroom after two years to pursue a law degree. Their priority is ensuring accountability for teachers who are not fulfilling obligations, compensating teachers appropriately for that accountability, and protecting the district from future legal challenges. Additionally, they are skeptical of the Mayor and a representative from the national union participating in these negotiations.

Chief Budget Officer for Galvis City School District
> The Chief Budget Officer recently joined city government after a long career in private accounting. They moved to Galvis City for this new job and have a child enrolled in GCSD. Their priority is ensuring the district spends its budget efficiently and responsibly. They are concerned that the district is not prepared for a recession and cannot make significant long-term commitments to increase teacher salaries without finding savings. Overall, they are sympathetic to the difficulties that the union is facing but focus on the city government's responsibility to taxpayers.

Galvis City Teachers Association Negotiating Team:

Bell Harbor High School Teacher for Galvis City Teachers Association
> This individual has taught English at Bell Harbor High School, a medium-sized school and one of the highest-performing in the district for twenty-five years and has been involved in the union for many years. Born and raised in Galvis City, both parents were active in unions. They are dissatisfied with prior CBAs and frustrated that previous union leadership did not advocate well enough for the necessary salary increases for teachers.

McKinsey Middle School Teacher for Galvis City Teachers Association
> This is a math teacher at McKinsey Middle School, a lower-income public school. They moved to Galvis City for a prestigious residential teacher training program in a local charter public school. Having put down roots in the city, they see themselves staying there long-term. After four years in the charter public school, they switched to McKinsey. They became involved in the union to advocate directly for their students' needs, hopeful that the new Superintendent and district team will fulfill their promise to institute student-centered reforms.

Vice President, American Education Union
> The AEU Vice President is present to support the local union in these negotiations, but also to represent the organization's national interests as their union's state coordinator. This includes strong positions against performance-based pay or layoffs. They began their career as a math and ESL teacher in Chicago and later joined the national union to expand their influence.

Facilitator and Convener:

Mayor of Galvis City
> The Mayor enters Round 1 as a recently elected first-term mayor and former three-term city councilor. As a product of Galvis City Public Schools, they consider themselves to be an "education mayor." These negotiations are their first test as a public manager, and they hope to facilitate a smooth process for the district and union to reach an agreement. After observing

other teacher union contracts around the country devolve into hotly disputed conflicts, the Mayor hopes to use their role as a neutral facilitator to effectively manage the negotiations.

Procedure

1. Distribute Round 1 roles before class and ask participants to prepare individually in advance of the negotiation. Sixty minutes is suggested for preparation; less time could cause confusion about the mechanics and structure of the exercise. You may want to allow time for prep-by-role (up to forty-five minutes) where each participant with the same role is able to discuss strategy and ask questions of others. This could be especially helpful with participants who have not yet done a complex, multi-party simulation.

2. In class, divide participants into groups of seven (eight if the Mayor's role is doubled for co-facilitation) and allow sixty minutes for the first round of negotiation. The first fifteen minutes should be used for GCSD and GCTA intra-team preparation and initial discussions with the facilitator(s). Emphasize the importance of timekeeping and remind the Mayors that they are responsible for keeping time. Provide each group with whiteboards, chart paper, markers, or other means of tracking deal options. Ideally, groups should negotiate in separate rooms that are large enough for intra-team discussions and side caucuses.

3. At the end of Round 1, collect one results sheet from each negotiating group. A valid deal includes signatures from the Superintendent, at least one other district negotiator, and both GCTA teachers. The AEU Vice President and Mayor do not need to sign an agreement for it to be valid.

4. Distribute Round 2 materials and allow forty-five minutes for preparation. During the first thirty minutes, negotiators must prepare individually. The last fifteen minutes may be used for intra-team preparation. The Mayor is responsible for starting Round 2 and managing the time.

5. At the end of Round 2, collect one results sheet from each negotiation group. Convene all participants to reveal Round 2 results and read the "no deal" email for all groups. Distribute Round 3 materials. Allow forty-five minutes for Round 3 preparation. During the first thirty minutes, negotiators must prepare individually. The last fifteen minutes may be used for intra-team preparation. The Mayor is responsible for starting Round 3 and managing the time.

6. At the end of Round 3, collect one results sheet from each negotiation group. Give groups an opportunity to debrief as a team before reconvening for the plenary debrief.

Debriefing and Case Analysis

Begin by previewing the key points from this exercise and then showing the Round 3 results. Prompt participants with reflection questions related to the results and encourage them to analyze these themes: deal sustainability, uncertainty, facilitation and process leadership, power differentials, and systematic preparation. Next, discuss specific skills that negotiators can use to navigate dynamics in this exercise.

1. Results

Display the results, including the five key issues, additional provisions, and whether each group got a deal in Round 2. Highlight deals that stand out and ask those groups to say more about how they reached the agreement.

> Possible questions:
> - *For groups that did not reach a deal in Round 2, how did that impact the dynamics in Round 3? Does anyone feel that not reaching a deal in the previous round made it more or less likely to get a deal in the subsequent one?*
> - *For groups that reached a deal in Round 3, what were the most difficult items to reach agreement on? How did you overcome that difficulty?*
> - *For groups that did not reach a deal in Round 3, what happened?*

2. **Themes**

While keeping the results displayed, guide your students in a discussion of the following themes.

<u>Being a novice negotiator in this context</u>: Each negotiator and the facilitator are new to collective bargaining in Galvis City. For this reason, there are no pre-existing relationships to navigate in Round 1.

> Possible questions:
> - *How did you build trust in Round 1? What would you do differently?*
> - *What were you surprised by, given that you had no background knowledge?*

<u>Deal sustainability</u>: The underlying tensions in this exercise include the district's financial stability, student outcomes, changes to the city's economy, teachers' frustration with low pay and lack of respect, and a national trend towards public sector industrial action. By Round 3, it is likely that some negotiators will have to accept something beyond their reservation point for the sake of a deal.[iii] Effective negotiators must anticipate whether a deal will be sustainable, particularly in public sector environments where many stakeholders are not directly participating in the negotiation.

> Possible questions:
> - *How did decisions you made in Rounds 1 or 2 impact Round 3?*
> - *How did you think about the long-term consequences of a Round 3 deal or no deal?*
> - *This exercise did not give you a clear-cut scoring system or reservation point. How did you decide what you could or could not agree to? Did anyone ultimately agree to something that was outside of their reservation point? Why or why not?*
> - *Is the deal you signed sustainable? Why or why not?*
> - *For groups that didn't reach a deal in Round 3, how did you decide that was your better alternative?*
> - *For groups with a larger salary increase in the Round 3 deal, how did you come to that agreement? District teams, do you think this is sustainable? Union teams, how did you frame this during the negotiation?*

[iii] Reservation point in negotiations is explained here: https://www.pon.harvard.edu/tag/reservation-point/.

- *For groups with no salary increase (or a salary decrease) in Round 3, could someone from the union team share how you came to that agreement? Do you think that's something you'll be able to take back to your membership? Why or why not?*

Uncertainty: Round 2 included explicit uncertainty about the extent of a budget shortfall and whether the governor would intervene to delay a strike. Rounds 1 and 3 included uncertainty regarding the financial stability of the school district, the impact of decisions on stakeholders, and the political ramifications of a no deal or an unsustainable deal.

Possible questions:
- *How did you and/or your group deal with this uncertainty?*
- *How did you incorporate uncertainty into your preparation?*
- *What strategies could have helped in addressing uncertainty?*
- *How did different levels of uncertainty affect your calculation of your BATNA[iv]?*
- *How does uncertainty impact your tendency to engage in competitive versus collaborative moves?*
- *How did uncertainty impact trust-building both within and between teams?*
- *How did uncertainty impact your willingness to undertake more or less risk?*
- *How does uncertainty distort perceptions of the ZOPA? Did you miscalculate your reservation or walk-away point?*

Facilitation and process leadership: The Mayor plays a unique role as the facilitator, though any negotiator may demonstrate process leadership in this simulation. Process leadership, either formally as a facilitator or informally as a negotiator, will influence how issues are raised, how the negotiators discuss the options, and how the group makes decisions.

Possible questions:
- *Did your team distinguish specific roles and functions to manage complexity and limit cognitive flooding?*
- *How did the Mayor in your group take on process leadership? How did that change during each round?*
- *How did the Mayor's role navigate the groups away from gratuitous bargaining, conflict escalation, and impasse?*
- *How did the Mayor's role frame and reframe the negotiation? How did they build momentum?*

Power differentials: Perceptions of individual and team power influence how participants plan for and engage in a negotiation. In team negotiations, there are differences in power when operating as individuals versus effectively negotiating as a team.

Possible questions:
- *Did you make assumptions about which parties were more or less powerful in the negotiation? How did that perception change during the course of the negotiation?*

[iv] BATNA (Best Alternative to a Negotiated Agreement) is explained here:
https://www.pon.harvard.edu/daily/batna/translate-your-batna-to-the-current-deal/.

- *What kind of resources constitute power in this exercise?*

<u>Systematic preparation</u>: With deliberate preparation, effective negotiators inoculate themselves against strategic surprise. This includes thinking about one's own interests as well as the other party's interests. The ultimate test of systematic preparation is understanding the other side's interests so well that you could write their victory speech.

Possible questions:
- *How did you prepare for the negotiation? What do you wish you'd done differently in your preparation?*
- *How did your preparation change from Round 1 to Round 3?*
- *Where did you make too many concessions? Where should you have conceded more to get the deal that you wanted?*

3. **Skills**
The table below includes key skills for this exercise and questions to prompt reflection.

Skill	Questions
Distinguishing interests from positions	What were your goals in this negotiation? Why did you care about those things? What were your team's goals? What were the other team's goals? Why did they care about those things? What could you have done to get a better understanding of why the other parties held their positions?
Managing internal and external negotiations	How did you approach working with a team in this negotiation? What were the biggest challenges to working with a team? How did you manage differences within the team?
Establishing and maintaining process leadership	Those who played the Mayor: How did you attempt to establish process leadership? Did your strategy change over the different rounds? What impact did a facilitator have on the negotiation?
Managing long-term relationships and iterative decision-making	How did you think about the potential long-term relationships in this exercise? How did decisions or actions in previous rounds impact the negotiation? How do long-term relationships influence negotiations in your day-to-day work?
Mapping coalitions and perceptions of power	How did you think about coalitions at the negotiating table? Did you consider each party's back table (i.e., the stakeholders not present)? How did your back table influence your strategy in the negotiation?
Seeing sooner faster	Did you anticipate events that could change your BATNA or other parts of your strategy? Were you agile and adaptive to new events in order to minimize the damage? Were you thrown emotionally off-balance by unexpected events? Did your team stay focused on action-oriented options? How did you carry the learning of each round forward?

Scenario Notes and FAQs

This exercise is a fictional scenario based on deliberative processes and political trends of collective bargaining for public-sector workforces. This section includes basic information for instructors on the political context of labor negotiations in the United States.

1. *What is the Janus decision?*
   The *Janus* decision, decided by the US Supreme Court in 2018, narrowly overturned prior court precedent that allowed for automatic opt-out public sector union policies. Before the decision, nonunionized public sector employees would pay an "opt-out fee" if they were protected under collective bargaining but chose not to belong to the affiliated union. Public sector unions now must lobby potential members to unionize.[1]

2. *Are Mayors typically involved in collective bargaining?*
   It depends. Labor laws vary depending on the city, and in many American cities, the Mayor negotiates alongside the district. Often, the Mayor serves in an unofficial capacity and is invited as a trusted public leader who lacks the legal requirements for disclosure and neutrality that a professional mediator brings to the table.[2] The role information in each participant's materials includes examples of recent teacher union negotiations with mayoral involvement, including Los Angeles, Denver, and Chicago.

Additional Resources

This teaching note is not exhaustive and serves to compress negotiation lessons into a truncated period of time. If you or any exercise participants are interested in building these skills through additional reading based on academic research, the following sources are good places to start and offer a mix of practical advice and pedagogic reflection.

Doug Stone and Sheila Heen (2014)[3] write in *Thanks for the Feedback* that negotiators can learn more about how their emotions are triggered, which can elicit intense, usually negative reactions that may lead them to "reject, counterattack, or withdraw" from a negotiation.[4] By learning to identify and manage these emotions, participants build resiliency in negotiation. Stone and Heen discuss three triggers—identity, relationship, and truth—and include tips on managing them in real time:

1. <u>Identity triggers</u>: Participants in this exercise may have been conflicted or triggered based on the gap between their personal views, feelings, and desires and those they advance during the negotiation. To work on this, Heen and Stone recommend "seeing feedback at its actual size" and avoiding internalizing an outsized reaction.

2. <u>Relationship triggers</u>: Negotiators may experience an emotional trigger when the person delivering the information affects how the message is received. To combat this, one should pose the question internally: "Would I react differently if someone else were telling me this?"

3. <u>Truth triggers</u>: These can be mitigated if participants stop and offer additional context that the other party might not possess, or by assessing their own blind spots.

Katie Shonk (2019)[5] offers several tips on how to avoid ineffective or hostile group negotiations:

1. <u>Embrace a shared identity or goal</u>. Parties likely began Round 1 with a shared affirmation of good-faith bargaining and a desire to improve public education in Galvis City. Did they continue this affirmation? Was a role such as the Chief Budget Officer able to draw on this goal to achieve fiscal security?

2. <u>Separate sacred from pseudo-sacred issues</u>. Participants likely drew lines in the sand when issue trading began. Some of these, like a minimal raise in Round 3, might have been truly sacred and likely critical for a deal. Others were perhaps stalling tactics or opportunities to flex one's BATNA. How did parties manage to identify what was sacred and what was not? Did this manifest in every group's deals?

3. <u>Try the GRIT strategy</u>. GRIT, or "Graduated Reduction in Tension," (a model defined by Charles Osgood in 1959) is the effort to increase communication and trust between parties to de-escalate hostility. As a ZOPA grew more and more difficult to identify in the simulation, parties had to employ strategies to keep negotiators focused on the issues and mindful of time to successfully hammer out a deal. Given the built-in increase in tension each round, how did parties avoid the trap of relying too heavily on parties not in the room?

William Ury (2007)[6] writes at length in *Getting Past No: Negotiating in Difficult Situations* about how to manage a tough, personal negotiation. The entire book is an excellent resource. In particular, participants in this exercise might find these tips useful to avoid an emotional response:

1. <u>Don't react</u>. Parties in *Galvis City* might be tempted to react negatively or preemptively break off negotiations given the high temperature in the room. Instead, consider remaining goal-oriented and taking a pause from the action.

2. <u>Listen and acknowledge</u>. An understandable reaction might be to defend one's actions or positions when one's motivations are challenged. Participants should work on active listening and finding points of common agreement before moving on from a disagreement.

3. <u>Don't reject; reframe</u>. Tense moments are easy to dismiss, especially if they are unhelpful to momentum or seemingly untrue. Students should instead listen for information embedded in statements one is tempted to reject and begin developing strategies to reframe before reaching an impasse.

4. <u>Don't push; build them a golden bridge</u>. Given the time constraints of this negotiation, many might be tempted to rush through a potential deal to beat the clock. This can frustrate some fellow negotiators and lead to unsustainable deals. Participants should instead work on addressing crucial interests early on in deal design and persuade individuals to trust the process.

5. <u>Bring them to their senses, not their knees</u>. In fraught negotiations, many inexperienced negotiators are tempted to react aggressively or competitively. Instead, participants should work on strengthening their own BATNA in noncompetitive ways and reminding all parties of the consequences of a no deal.

Endnotes

[1] Dylan Matthews, "6 excerpts that explain the Supreme Court's big anti-union ruling," *Vox Media*, June 27, 2018, https://www.vox.com/2018/6/27/17509460/supreme-court-janus-afscme-public-sector-union-alito-kagan-dissent.

[2] Steve Gorman and Alex Dobuzinskis, "Los Angeles mayor to mediate in talks to settle first teachers' strike in 30 years," *Reuters*, January 16, 2019, https://www.reuters.com/article/us-usa-education-los-angeles/los-angeles-mayor-to-mediate-in-talks-to-settle-first-teachers-strike-in-30-years-idUSKCN1PA14D.

[3] Douglas Stone and Sheila Heen, *Thanks for the Feedback: The Science and Art of Receiving Feedback Well*, 1st edition (New York: Viking, 2014).

[4] Sheila Heen and Douglas Stone, "Find the Coaching in Criticism," *Harvard Business Review*, January-February 2014, https://hbr.org/2014/01/find-the-coaching-in-criticism.

[5] Katie Shonk, "In Group Negotiation, Avoid a Turf Battle," *Harvard Program on Negotiation*, April 9, 2020, https://www.pon.harvard.edu/daily/business-negotiations/group-negotiation-avoid-turf-battle/?utm_source=WhatCountsEmail&utm_medium=daily&utm_date=2019-10-10-13-30-00&mqsc=E4092792.

[6] W. Ury, *Getting Past No: Negotiating in Difficult Situations*, rev. ed. (New York: Bantam Books, 2007).