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Too often, practitioners and theorists alike have tended to locate organizational culture in the mottoes and symbolic acts of top managers and to attribute to those leaders the ability to change and manage meaning from visible, yet distant, perches on the organizational chart. By contrast, I propose that the study of organizational culture focus on the networks of social interaction that constitute organizational life, and the rituals that support those interactions. This perspective is derived from an analysis of International Harvester's six-month-long UAW strike in 1979. In this case, management tried to redefine the established labor-relations culture by eliminating those managers who carried and reproduced that culture, but in doing so they also eliminated the company's knowledge of the subtle interaction rituals that had guided and supported labor negotiations. This, I argue, was a major factor contributing to the breakdown of negotiations at IH in 1979.

INTERACTION NORMS AS CARRIERS OF ORGANIZATIONAL CULTURE

A Study of Labor Negotiations at International Harvester

RAYMOND A. FRIEDMAN

IN THIS ARTICLE I WILL PRESENT a study of the 1979 round of contract negotiations between International Harvester (IH) and the United Auto Workers (UAW) that looks at the background assumption of those negotiations, at breaches of those assumptions, and at the kinds of responses generated by those breaches. The result is a concrete analysis of interaction norms in a negotiating context, and a study of an event that is inherently interesting and important: IH was among the first to attempt to redefine its relationship with labor. Its particular strategy for doing so represented a common sense and (seemingly) sensible approach to cultural change, yet that strategy produced a six-month strike that contributed to the virtual demise of IH over the ensuing years.¹

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The point of this article is that organizational cultural changes are not likely to succeed if they are formulated and implemented without an awareness of the detailed—seemingly mundane—patterns of social intervention that provide the foundation of an organization's culture and the meanings associated with those patterns. Too often, practitioners and theorists alike have tended to locate organizational culture in the mottoes and symbolic acts of top managers or leaders (e.g., Deal and Kennedy, 1982; Peters and Waterman, 1982) and to attribute to those leaders the ability to change and manage meaning from visible, yet distant, perches on the organizational chart (Pfeffer, 1981; Smircich and Morgan, 1982). By reconceptualizing organizational culture as interaction rituals, we will be able to see more clearly and concretely the process by which shared meaning is generated and reproduced in organizations, and the level at which cultural change might be fostered or frustrated.

Such a move to a more interpretive "bird's-eye view" provides a counterweight, not only to the overly generalized view of culture common to the organizational literature, but to the overly rationalized, game-theory view of interaction common to research on negotiations,² and the tendency within studies of labor relations to focus on the statistical analysis of macro-level variables to the exclusion of negotiation processes.³ I propose that the study of organizational culture, labor relations, and negotiations focus on the networks of social interactions that constitute organizational life and on how established understandings of interaction are carried in the heads (and collective histories) of organizational participants. These established understandings—carried as scripts and behavioral routines—provide the benchmark criteria needed to interpret the actions of others and thus to be able to orient one's actions to those of the other. Such a mutual orientation represents the minimal criteria needed to generate the "shared world" (Garfinkel, 1967) needed for coordinated action or negotiation.⁴

Following an overview of my research methods in the next section, I present the Harvester case in six steps. First, I describe briefly the 1979 strike and the company's strategy for overall organizational change prior to the strike. Second, I

describe the negotiating routines that had hitherto governed the negotiation process. Third, I analyze the importance of those routines for generating mutual understanding among negotiators. Fourth and fifth, I elaborate in greater detail the specific steps taken by the company to “step out of character” and the disagreements that were thereby generated between the new top management and old-hand bargainers. Finally, I present workers’ and union responses to the company’s breaches of the established routines.

RESEARCH METHODS

When I began my research at IH I was approaching the study from exactly the perspective that I am now criticizing. I saw in IH and in Chrysler the destruction of established understandings of their business worlds due to severe crisis, and I wanted to compare the “meaning management” abilities of these two companies. After I began my interviews and got closer to the data, I dropped the Chrysler side of the study, and got caught up with one of the events which led up to Harvester’s crisis—the 1979 strike. To my surprise, it was exactly the type of meaning management that I thought IH lacked during its crisis that was the source of the crisis in the first place.

Most of my data come from interviews that I conducted. After clearing my project with the company’s CEO, I was given assistance in locating the names and telephone numbers of relevant people, but with the proviso that no one would be required to talk with me. On the UAW side, I was eventually given a general “letter of introduction” from the International to help me with workers and union leaders who were suspicious of my intentions (very few of these letters actually needed to be used). In all cases I presented myself as a neutral researcher, asking if the person would be willing to talk with me for about an hour.

My first foray into the field was a disaster. The local plant manager did not want me in his plant, I stumbled into the middle of a bitter intra-union conflict over corporate-wide seniority at that plant,⁵ and I naively brought my tape recorder into the local

bar to interview workers. By the end of that day though, a few workers sympathized with me and snuck me into the plant as a "nephew" who wanted to see where his aunt worked.

Acceptance by both management and workers went much more smoothly after that, and I learned that the plant dining hall, rather than the local bar, was the place to talk with workers. Most important, I learned that it was critical to be able to explain that I was referred to them by someone they knew and that I had already interviewed people "higher up." As my network of contacts grew, access and the development of trust became much easier. In the end I interviewed approximately 100 workers, managers, and labor leaders in plants, offices, and homes in Chicago, Detroit, Indianapolis, Springfield (Ohio), and the Quad Cities (Illinois).

This retrospective, interview-based approach to research may seem to some readers to be too distant from the actual events I report, but there is a reason for accepting that obvious disadvantage. Informed by Garfinkel's (1967) method of generating "breaches" of norms to study the importance of such norms and where they exist, I wanted to use an organization-wide "breach" to reveal patterns of organizational background assumptions. But it is too disruptive and costly to instigate real-life organization-wide breaches, and one is not likely to live through a naturally produced breach simply by sitting in an organization and waiting. Therefore, the approach I chose was to study an event where an organization-wide crisis had already provided the breach for me. The 1979 strike at International Harvester and the crisis that it helped to produce gave me just such a macro-level breach with which to work.⁶

FAILED NEGOTIATIONS: THE BREACH OF INTERACTIVE NORMS

In 1979, International Harvester entered into contract negotiations with the UAW. Those negotiations ended in April 1980 after the longest (169 days), and among the most bitter, multiplant strike that the UAW had experienced until that time. Harvester emerged financially weakened from the strike, only

to face a severe recession in three of its four product markets: farm equipment, heavy trucks, and construction equipment. The two events together led to near bankruptcy for this proud old corporation, and eventually to the sale of three of its four businesses—with only truck manufacturing remaining—and the “rebirth” of the company as “Navistar.” The six-month strike did not cause Harvester’s near demise, but it did not help either. The important point is that the strike represented “a dramatic failure of the negotiating process.”

This case is especially interesting because the strike evolved out of an attempt by Harvester management to break from the traditions that had led to a gradual weakening of the company’s financial position over the previous twenty years, and it was done with an awareness, at a very high level, of the importance of organizational culture (although not necessarily called that).

OUTSIDE SUCCESSION: A STRATEGY FOR ORGANIZATIONAL CHANGE

When Harvester’s CEO and board of directors realized the need for radical change in the mid-1970s, they chose to bring in new outside management to complement the organizational restructuring that was underway. The old management, it was feared, would unknowingly reproduce the patterns of behavior that got Harvester into trouble in the first place. “New blood” was needed. As a member of Harvester’s board put it:

It seemed to me, and I think to the rest of the directors, that a change of some kind was needed. Also a change of attitude. This was a very stuffy company in those days. It had that old tradition. I think Brooks’ [the CEO of IH from 1971 to 1978] desire to have us bring in the consultants—and then agree to go outside and look for somebody—was designed to break open that old tradition which, as an insider, he found very difficult to do. Something radical [was] needed in the company, to shake it out of its lethargy, reorganize it, push it off in new directions, and somebody that’s grown up within it would find it very difficult to do that. The inside people were pretty good, but they would carry on the same tradition.

The new blood that was brought in included a new CEO, a

new president, and a new vice president of Human Resources (a post whose responsibilities included leading negotiations with the UAW), among many others. These executives sought to shake Harvester out of its lethargy and make the company competitive again. One major step in that direction was, as a Harvester executive put it, to regain control over their plants and negotiate work-rule changes that would make Harvester's labor costs equivalent to those of its competitors.

To be able to make these changes, the new executives would consciously "step out of character" and signal to the UAW that things would be different now. From a more analytic perspective, these executives were attempting to be "symbol managers" who were trying to redefine the labor-relations situation. Some actions taken prior to the 1979 round of negotiations include the decisions in 1978 to "stand up" to the union when the Louisville local went on a legal strike and in 1979 to crack down on wildcat strikes. In both instances, the actions taken were considered symbolically important. The new CEO explained, "One of the first things we did was to stand fast and take a couple of strikes and not give in until the message got across to people that the company was no longer going to be led around by the nose."

But these efforts would fail on several grounds. First, in their efforts to avoid reproducing the existing patterns, these executives destroyed (or ignored) their own channels of information about union attitudes. The company had ready a set of "accounts" (Scott and Lyman, 1968) for these changes from the norm, but they were developed without an understanding of what stood as an acceptable account in the eyes of the union and the workers. Second, and the focus of this article, they would break, not only from established norms of what a company would ask for in negotiations, but from the established norms of *how* negotiations were carried out as well. The policy makers for Harvester's negotiation strategy would conduct the negotiation process itself in a very different way. The result was a breakdown of the negotiation form and the shared world of interaction that that form had ensured.

THE NEGOTIATING ROUTINE

Like any ongoing social interaction, participants in the negotiation drama have, over their many years on either side of the table, learned the rituals and routines that are expected of them and that they have come to expect of the other side. There certainly was room for variation, but the basic framework was understood by all and, more importantly, was expected by all. As one Human Resources manager remarked:

The script was written and you could just about predict what was going to be said, what the union's list would look like, what our list would look like, how meetings would go, and how the adjournments would happen. Yeah, pretty predictable.

That script, according to another Human Resources manager, included:

Several sessions on: let's talk through those demands; what do you really mean by this; what are you really getting at here. There would be a week's worth of meetings on these kinds of things. Then we would break into subcommittees. . . . Then subcommittees would be wrapped up. . . . And then, typically, in about a three-day period the contract would be negotiated. During all of that there would be local agreements being discussed, grievances and so forth.

A union chairman described the initial stages of this process as a period of routine speech making:

The company will make an opening speech. We'll make a positive speech. They'll make a negative speech on their side. "We want this and we know you can afford it." "We can't do this." But very gently. We'll pass over our demands to them and they'll look at them. Well, some of the demands are things you would like but some are unrealistic. You're not going to get everything in the book.

Union leaders called this opening stage of negotiations the "dog and pony show" and took both the company's and the union's statements with a grain of salt:

Obviously, in negotiations, you went in there and threw a ten-pound list of demands across the table. They obviously knew that you weren't serious about every one, that you would settle for a fraction of the items.

This union leader was correct. As the following company negotiator explained, the company did realize that many issues were meant to “fall off the table”:

In negotiations you both start out looking for the entire pie. And as negotiations go on you break down into subcommittees and you start studying the different aspects and then, finally, as you get closer and closer to the deadline, contract termination or the strike, you start into marathon bargaining. Things begin to fall off the table and less important items go first, on both sides of the table . . . and then you get down to ten, twelve things that are of major importance over and above maybe even the economic package. . . . And those go down and your committees get smaller and smaller and instead of having a circus with a hundred people in the room you get down to small committees of eight or ten and then at some point in time, at the very least, you get down to maybe even a smaller committee. Maybe like Greathouse and Shy and my boss and myself . . . maybe only four of you.

[At this point] both sides could try to be as honest and frank as you could in negotiations. . . . “Look, this isn’t going to go away . . . we can’t do that.” They’d say, “We can’t do this.”

A local union leader explained that the bargaining committee would “bitch and moan” when company and union negotiators met in small groups, but he added, “it was accepted as a way of life. I presume it’s probably a lot easier for the company and the union to operate that way. Don’t have the whole mass meeting there.” We see here a move from a restricted and formalized process, conducted in front of many people, to a more freewheeling and open process, carried out in relative privacy.

But this was an extremely dangerous process as one Human Resources manager explained:

Depending on the trust level that you have with a particular individual, you can also kind of talk off the record to him knowing that it’s not really off the record in total. But that’s where the trust comes in because, if you’re talking off the record to someone you don’t have a high level of trust in, they can really use what you’re telling them to your disadvantage. But if you’re talking to someone who you trust, you know they will only use parts of what you said to try to help the situation.

For UAW leaders as well, trust was critical:

You expect a clear-cut exposition of his position . . . so there's no misunderstanding. That's what a good negotiator does. You expect a negotiator to never lie to you. See, in this business, all you've got is your own integrity, there isn't anything else. In industrial relations all you have is your own integrity, your own reputation. If you don't have that you don't have anything.

And, a major ingredient in trust was knowing how the other would act and knowing that he could accurately interpret your own actions. As a local union leader described, the 1976 round of negotiations was successful because the people on each side *knew* each other:

In 1976 they knew what was going on. They knew the process of negotiation. They knew the feelings of each other. They had been there for years and it went extremely well. Crowell is the guy's name, I believe, Bob Crowell. He was a good negotiator for the company and our people were good negotiators for the union. It went more or less like clockwork. They knew what each other's movements were going to be. They knew how far they could go with each other. It just kind of fell into place.

Similarly, one experienced (and trusted) company negotiator explained his job as follows:

It wasn't important whether I agreed with [the union negotiators], it was just as important that I listened to them. I'd evaluate, first, how much of it was 100% or how much of it was 50% or how much of it was 25% for effect, and then we'd discuss it in our negotiations committee meeting.

Company negotiators were acutely aware of union politics, the importance of democracy for the UAW, and the kind of rhetoric that political structure is bound to generate:

[Local leaders] get their jobs by convincing their voters, the members of the union, that their predecessors had been soft with the Company—which is a long way from the truth—but obviously in any political campaign they get that kind of stuff.

Therefore, fiery language and public displays by union leaders must be significantly discounted. A negotiator explained, "If you take the rhetoric seriously—if you don't understand the

rituals, [and instead] . . . see trivia as serious, you can make some very big mistakes.”

“Informal” channels were seen by negotiators as a mechanism for the union to communicate directly with the company—without keeping up the uncompromising facade needed to placate extremists. One IH manager explained:

It's just a matter of trying to find a way to work through it and what you want to do is continually test: “Is it the right time to make a move?” and, if we make a move, “Is the time right to make the move?” “What are the hot buttons?” So signals are passed that way but you've got to find that person you can trust and that it's mutual.

You're not going to get a clear signal that says, “Hey, the union's ready to move on mandatory overtime.” What you're going to get is, “Hey, why don't you try this kind of approach?” And it may be nothing more than a way to start the conversation going. Or, the message might be, “Why did you present the issue that way? You really screwed up.” Well, how did we screw up? “Well, did you know that Bill at Louisville feels this way about it and he's got a particular issue.” Sometimes how you present things can either turn them on or turn them off.

The negotiating routine involved an elaborate and fixed pattern of group meetings, but more important, it involved a pattern of moving between the formal and the informal, the public and the private, the main table and the back hallways.

The overriding constraint in this process was the need for proper appearances by UAW negotiators. Negotiators on both sides knew that UAW negotiators could not show open willingness to compromise even when compromise was desired. Indeed, although the union might want to drive a wedge between the company and themselves on a public level (to enhance their perceived power position), it also wanted to foster and preserve some region of shared understanding with the company. Otherwise, real intentions might be misinterpreted and key opportunities missed. As one International union leader explained:

If you're looking for guarantees, the last thing in the world you want to do is strike the company. You can't read about it in a textbook; you certainly can't write it down; you have to be through a couple of them . . . you have to be confronted with the fact that you don't have a balance

in your checkbook to take care of this month's bills . . . and if you've got a young family, all the responsibility that goes with it . . . and there's a definite change in your life-style when you go on strike. I take strikes very, very seriously.

This movement between the public and the private, the formal and the informal, was governed by subtle interactive rituals that were "understood" by both parties. And this level of interaction was highly person-specific: Individuals knew each other, had experience with how the other bargains, and were able to read (and produce) appropriate signals. An HR manager explained:

You get to know people and you get to know how they think, how they act. You learn the body language, the sign language, the inflection in the voice. And I think probably accurate to say that both sides could read a lot into something that was said, the order in which it was said, the time devoted to it, the body language while it's going on.

Having had experience with particular individuals, this manager added, gave the negotiator a means of assessing statements made "in the heat of battle":

There are high stakes. It's a very intense time. It can be a marathon time on occasions and people do and say things that they'd rather not have said. If that is taken to heart, and the environment is not taken into consideration, and there's no solid basis to bump it against—like, gee, I know that guy, he can't mean that, I know he said it but he can't mean it because I know him and he wouldn't do that—if you don't have that kind of a base to bump it against, it can cause some serious problems.

In addition to familiarity with the signals, knowing one's opposite enabled the negotiator to assess the information he was given and know where he could get "off the record" information. Two HR managers explained:

You learn to assess who you can get a signal from off the record and who you can't, and who's giving you b.s., and who's not telling you the whole story. There is some of that conversation that goes on and that comes from long relationships.

Most important, negotiators knew how to be flexible, they knew

how to attend to and interpret their opposites, and they had a sense of what was reasonable, explained this negotiator:

If you're an experienced negotiator and you're listening to the other side, based on what you hear, what you read, what you see, you can pretty well evaluate just about as close as they do, what are the most important issues, which ones will probably go away, which ones can be settled with a minimum of difficulty, and which ones will be the so-called last-minute issues that are strike issues to either side.

In sum, negotiating is a multilayered process of interaction, with public, small-group, and interpersonal relations all operating at the same time, along with a "switching" mechanism to signal when and how shifts can be made from one to another of these layers of interaction. The whole process is driven by the highly personal and experience-based knowledge of the bargaining ritual held in the heads of a few key players on each side of the table. To break from the stylized processes that have developed over thirty years of interaction between the company and the UAW is to neutralize the "switching" mechanism that is a resource for both the company and the union negotiators.

MUTUAL UNDERSTANDING

The negotiation process is a highly stylized event. Both company and union players know the standard operating procedures of negotiating, and each expects the other to follow those procedures—their own actions are based on the assumption that the other will play the customary role. By staying within the loose bounds of the negotiating script, it is possible for the two sides to enter a "shared world." Mutual understanding develops because, with common knowledge of the rites and rituals of negotiation, players feel secure in their interpretive competence and feel that they can at least know what is happening (even though they might not like what they know).

The form that negotiations have taken assumes the existence of this shared world. Enough is mutually understood that the company and the union can really talk to each other. Although there is a severe constraint placed on the system by the (real)

democratic nature of the UAW and the need for the union to have its own version of the “dog and pony show,” mechanisms have developed that allow the two sides to huff and puff on the surface while indicating room for compromise indirectly. When the time is right, it is possible for key individuals to meet with each other personally or in small groups to exchange information and ideas much more directly and openly.

Following the routine then is not just a matter of indifference. It is the “way things are done.” It has become natural and expected. It is also part of an extended signaling process that tells the other, among other things, that “I know the rules of the game, therefore you can trust that I will act as you expect: we are all sharing the same fundamental framework.” It also signals that “I want to have an agreement and I am therefore willing to abide by our historically agreed upon pattern of interaction. I want us to be able to interact with you.” And, perhaps most important, the routine serves as the established path into the realm of the private. Before a routine existed, negotiating was nearly impossible—everything was up for grabs.

The grease that keeps these wheels spinning is trust between enemies. All parties recognize the need for private talks and informal agreements. In order to make trades and deals, it is essential that one party trusts that the other will keep its word. It is also essential that one party be able to state clearly to the other, in some format, what the situation really is. What are the issues that the rank and file really will not accept? How much can the company really afford?

The question then becomes: How do the two sides construct, maintain, and protect a world of shared understanding within the framework of the high politicized and conflict-laden world of contract negotiations? Most fundamentally, the two sides have to know each other. They have to know the intentions and actions of the other side. They must be able to trust that the other side knows their intentions. They must believe that the other is experiencing the same world they are. In sum, each side must be able to perceive the other as rational and reasonable. Without that, there is no way for one side to even marginally

predict the actions of the other. And without that, there is no way for either side to act “rationally.”

STEPPING OUT OF CHARACTER

An IH plant manager explained:

As we approached negotiations you could feel the determination of the company to make headway. It became clear we were going to step out of character in these negotiations before we would surrender to their demands. In 1979 we attempted to take control of negotiations and put forward our business needs.

When 1979 came along, the new Harvester management faced its first opportunity to fundamentally redefine the pattern of labor relations at IH—a pattern that had been targeted as a major cause of the company’s weak financial position. Having completed studies that showed that Harvester was at a labor cost disadvantage, it was decided that changes had to be made and that this was the time to do it.

The first change was a decision to seriously address only a handful of issues—but once this handful was put forward, they would not be allowed to “fall off the table.” The company would pick out five or six items and stick to them. A top executive explained:

In 1979 it was our approach that there were about six or seven key areas that needed changing and so we didn’t go in with a laundry list. We tried to create the perception, which we felt was fact, that we didn’t want to just muddle up the process with fifty demands, knowing full well maybe half of them didn’t mean anything, half of the other half meant a lot, the other half meant a little. We just said, “Look, we’ve really got some key areas and we’re dead serious about all of them, and we’re not going to throw a bunch of them on the table. We want to put on the table those things that are important to us.” That was a key change.

The decision for Harvester to step out of character in its 1979 negotiations with the UAW included more than coming up with a new set of goals. It included moving to a new building, developing a new approach, establishing a new tone. “We tried to change the whole thing. Consciously. We wanted to change

the whole tone to make it more businesslike,” explained one HR manager. When it came time to begin negotiations, the company requested that the negotiations no longer be held in the Drake Hotel, but rather in a conference room on the first floor of Harvester’s office building to be built specifically for that purpose. This would take away from the “social” atmosphere of negotiations, and save money. Another IH executive added, “If you’re talking in terms of the company not making a lot of money or not being able to keep a lot of money, being more economical in the process of negotiations couldn’t hurt that kind of impression.”

Within the negotiations themselves, a new tack was taken. It was decided to announce, up front, that the company would match the pattern set by the automobile industry. As the company’s lead negotiator explained:

The bargaining strength of the Ag-Imp industries was not anywhere near as great as GM or Ford, so they would come on to those other smaller companies and add on the sweetener that they would then pick up in the next round of negotiations. That was the bargaining process. So people can tell you it’s a mistake to sit up there in front and say “Hey, we’re going to give you whatever you ask for, but we want these other things.” But reality said that’s what was going to happen anyway. We were setting the stage that said, hey, we know . . . WE KNOW . . . that unless we talk a long strike from you folks, we are going to have to give you the same financial package that you’ve gotten out of the other companies . . . and we know that, we know that that’s a fact. However, we want you to know something up front, that in all the past this organization has not been able to negotiate changes with you. We want to negotiate some changes with you. We want you to listen to some of our problems.

He emphasized, “Believe me, when you sit at that bargaining table and you know what all of those corporations have given, you are not going to give anything different.” So the company position was, according to the CEO, “We told the union from day one that we would meet whatever the pattern was, [but that what] we wanted were some changes in work practices.”

In line with this “being honest” approach was the decision to

present only a few issues and stick with them. They would not “fall off the table.” A top executive explained:

That historically is where the union had been. You'd dump a lot on the table and then you'd begin to pick out those important things and you'd get off these items and you'd try to reach resolution on others. The process in the past was, let's start here and let's work to the middle . . . We told them in 1979, we weren't doing that. We needed some resolution of these issues and that there were no throwaways . . . we needed resolution. We didn't necessarily say what that resolution was because we were willing to talk about that, but we said, we need resolution of these issues somehow, someway.

There would be no “laundry list” of half-hearted demands this time. The union was told, according to one negotiator, “We're stuck. We simply can't live with [voluntary overtime]. We have to have some relief. We're not telling you what kind of relief it has to be, just as long as there's relief.” In the opening session, this negotiator made an off-the-cuff remark that extended the company's “direct and open” approach even further than company planners might have liked. He told union negotiators (according to both company and union sources) that the seven issues presented to them “are here today, will be there tomorrow, and will be there when the strike begins.”

One implication of this new approach was that sidebar discussion would be greatly restricted. One negotiator commented:

I don't think there was an intent or a stated purpose of eliminating the sideshows. On the other hand, when you have a commitment to five or six or seven objectives, it's a lot different than when you have twenty-five, thirty, up to sixty. So I think it was intended definitely that the significant negotiations were going to occur at the main table. And I think it was intended that there not be a lot of side meetings or discussions on those particular issues that were going to be at the main table with the exception of the seniority negotiations at the local level.

The company also varied from the norm in the way it communicated with the rank and file. More than ever before, Harvester tried to go directly to the workers to convince them of the company's position. Brochures and letters were sent frequently to workers' homes, and a toll-free hot line was established to

keep everyone interested up to date on negotiations. The CEO explained:

We were really trying to communicate with all of our employees ever since I got there, and this seemed a logical extension of it. I do not think the UAW particularly appreciated it, but it was something that we would do. I don't think it was innovative, I think other companies have done that, but I don't think it had been done at Harvester before. We had a hot line, as I recall, so that any employee of the company, and this would have included union employees, could call up and find out the status of the negotiations.

In addition to the letters and brochures, Harvester sent representatives to appear on TV in Memphis and the Quad Cities, and at one point foremen were assigned the task of calling employees and "surveying" their opinions on the strike. One negotiator complained that this approach was based on "a philosophy at the top that said that all you have to do is tell people and they will come to the party. The CEO was convinced that it was the international union driving the strike and not the rank and file." With the letters, TV shows, and the CEO's (unintended) penchant for high profile, Harvester's negotiations were extremely well covered in the media.

Meanwhile, the CEO and the president kept a tighter rein on negotiations than had been done before. "We were all watching [the lead negotiator] very closely, because, remember, this was a major change in our history that we were trying to do here, we were trying to change that environment. We all had a high level of interest in it," explained the CEO. The CEO met daily with his lead negotiator, and weekly with him and other top executives to review the situation. As the negotiator quoted above put it, the bargaining committee became the "side participants" in the negotiation process.

THE BARGAINING COMMITTEE VS. EXECUTIVE MANAGEMENT

The new bargaining strategy that was chosen was not equally welcomed by all of Harvester's management. As negotiations

got tighter, the old hands on the bargaining committee felt that this new approach compromised their ability to carry out negotiations. One negotiator felt that he had little room to maneuver and said, "When the policy committee finally sat down and said, these are the things we're going to go after, there wasn't a whole lot of latitude. They were pretty much sacred in terms of, these are the things we have to get." Another commented, "The policy committee set priorities, then we executed it."

Several members of the bargaining committee felt that the heels of the CEO, the president, and the lead negotiator were so "dug in" that "we lost track of the fact that we were willing to downsize our demands." Top executives, they said, would not listen to the bargaining committee:

Most of the company bargaining team was not convinced that we could get anything on [mandatory overtime]. The executive management just would not accept the opinions of the bargaining committee and there got to be some pretty heated discussions and they just refused to accept that we couldn't make some gains in this area. What drove them to that position, I'm not sure. There was just a difference of opinion. The executive management was dug in deep.

Another member of the bargaining committee put it more gently; he felt that the committee was committed to the strategy set by top management and it was just "a matter of what was expected to come out of that strategy that differed."

These negotiators felt that they were pushed to the sideline of the negotiations. One Human Resources manager on the bargaining team commented, "We started out thinking that we were going to negotiate a contract, but really became side participants in a process as to when somebody was going to push a button and say settle it." They were certainly right in that, as one top executive put it, "The basic thrust and direction and tone and tempo were being set during the negotiations by Archie McCardell [the new CEO], Warren Hayford [the new president], and Grant Chandler [the new vice president of Human Resources and lead negotiator]—others in a more contributory mode." He added:

I think that as far as the guys from the bargaining committee were concerned . . . those were the same guys, other than Grant Chandler, those were the same guys who had kind of caved in and took a very soft and ineffectual position with the UAW for a number of years. I think Archie felt that, while he would listen to what they had to say, he wasn't going to let them control the tone or direction.

BREACH OF NEGOTIATION NORMS

To UAW negotiators this “wasn't negotiations.” It was “very nontraditional in the sense of what we were used to in the past,” explained one union official. Union negotiators were shocked that the company talked about “the strike” on the first day of negotiations, and they began to worry when no issues seemed to “fall off the table.” An old lead negotiator added, “I can't recall a negotiation with Harvester where they were as precise and consistent meeting after meeting after meeting. That was not their M.O. in negotiations. I just sensed that we were in for a battle royal.”

In a fashion similar to Garfinkel's (1967) breaching experiments, violations of the negotiation norms generated shock and surprise. And, also similar to Garfinkel's experiments, subjects attempted to reconstruct a coherent understanding of the disorder and surprise that was produced. It is these *interpretations*, I will argue, that provide the key to understanding not only the sense of shock that accompanies breaches, but the sense of anger and frustration that accompanies those breaches. In the IH cases, two particularly important patterns of response emerged: a focus on “their attitude” and a focus on their competence.

For top union negotiators the dominant response was a loss of faith in the competence of company negotiators because they did not know “the way negotiations are handled” in both the obvious and subtle aspects.

The UAW's vice president for the Ag-Imp Department, Pat Greathouse, saw the CEO as a man who had never dealt with a strong union, and the new president as a man who “didn't have the slightest idea of what he was doing.” Greathouse called the

president's 8760 proposal,⁷ drawn from his experience in the can industry, an "asinine" idea. Moreover, he was alarmed that "you're proposing that four months into a strike! He had no concept of what goes on." And, although the company's lead negotiator "would make a nice neighbor," he:

. . . didn't know the shops or shop problems . . . he had three years to become familiar with all the things . . . but Chandler never did, and if you'd raise a question or anything in negotiations, he'd have to turn to one of his people there and have him talk about it or explain it. He never tried to learn. All he was, really, was a transmission guy from the guys upstairs that were making raw pronouncements back down to the bargaining table.

The UAW's lead negotiator also saw the company team as "inexperienced," and an assistant for the Ag-Imp Department commented that that inexperience extended to "both in human resources labor relations as well as in their exposure to us." Another assistant noted that "it was obvious to the Harvester guys and to Art [Art Shy, a lead negotiator] that they'd pretty well shoved the old-timers back and a new day was here with [a new HR manager] and then relying on another new manager." The decision to bring these particular items to the table was made by "ill-informed people," added the Ag-Imp assistant. The lead negotiator added:

They offered us everything. They weren't trying any back-to-work movement, they weren't trying to bust the union. They weren't trying to do any of these things, they just felt that before they'd do all the other things they had to have [their demands]. But the most stupid thing was then telling people all that: "Sure you can have all these things but now here's the things that we have to have."

In the eyes of the UAW's top negotiator, company negotiators were simply incapable of negotiating. They were not able to "talk intelligently" about their issues. The negotiators didn't know enough to justify the changes requested. And they didn't know how to exchange ideas. Shy explained that off-the-record negotiations would be the normal way of "feeling them out for a

position.” But in this case, the company negotiators were seen as so inept, out of touch, and lacking authority that:

Pat, after a while, just says, it's useless to meet with these people, they don't understand anything. They don't seem to even understand what the hell you're talking about, let alone what their positions are. I'm sure Chandler felt lost. He had no knowledge of what even the conversations were about most of the time at the bargaining table.

Usually negotiations would get down to two or three people, but “we couldn't do that in these negotiations, you couldn't do it. You couldn't meet with them. When we ended the strike with them it was right at the bargaining table,” explained the lead negotiator.

Even as “transmission guy” Greathouse was not sure of Chandler's abilities, according to one of his assistants:

Pat was concerned about bargaining with him because he wasn't sure that he could carry our message to his own people and do it right . . . whoever he had to report to, whether it be Hayford or McCardell or whoever. Pat was concerned about that. And the things he would say would not really tell you where he was really coming from. Collective bargaining a lot of times is . . . you take some people that have been around from our side or their side, you know the other guy is catching what you're saying, you may not have to say it directly to him. Chandler didn't do that, he didn't really get directly to the point on a lot of things. We were concerned that things that we were saying . . . whether that would be carried up to top management or not, correctly, as we said them.

The issues themselves didn't flabbergast these negotiators—Harvester's inability to negotiate did. As Shy saw it, the UAW took a realistic view of a company's conditions and did adjust its position. But the lack of “bargaining” made adjustment difficult.

We've changed things over the years in a lot of contracts. The company really had a problem in some of those areas. Hell, we don't want to force them to do things that are going to make them go down the drain or be noncompetitive and things of this sort . . . it just wasn't negotiations. We went for a period of two or three months and we didn't even meet. The longer it went on the more dug in people got.

Pat Greathouse also focused on Harvester's "inability to negotiate." "You just don't go in and play the hard cop." As he saw the situation, the company's inability to negotiate was caused by "several things":

Some of them down lower probably didn't want to jeopardize their position with the new management; some people didn't really want to make a settlement; some people didn't know how; and they weren't about to try to speak for top management. Nothing happened.

The second type of response, more typical of lower-level UAW officials and local union leaders, was to highlight the company's "bad attitude." As far as these people saw it, the company was not making a sincere effort to negotiate. "As far as negotiations, it was not negotiations, it was give us what we want or take a hike," explained one local union leader. Whereas compromise was expected, the company took a "rock solid position." A UAW official explained:

I think that the attitude of [its negotiators] pissed people off . . . pissed me off . . . pissed some other people off who had been around a while. It was just the attitude they had . . . the cavalier attitude that a top company negotiator had and another top company negotiator with him trying to strangle us all to death. It's just the way they came off in bargaining.

This approach was deemed "arrogant" by other local leaders:

Any time you've got demands and you just take a hard stand, "we're going to get these or else" . . . that to me is arrogant, there's no room for adjustment. From the very beginning that's just what they told us. These demands are here, they're not going to fall off the table, we're going to have them all. Not, we're going to have two or three of them or one or let's see what we can do . . . it's, we're going to have all seven of these demands. And hell, we don't even go into negotiations on that in the good times. That's what negotiations are, a series of compromises.

The concept of "attitude" seems to encompass the notion of a lack of respect for the union and a perception that the company was trying to hurt union members for no good reason. Two local leaders explained:

They didn't respect unions and they just felt that they could just do anything that they wanted to do and didn't figure that our people would back us. Just their total attitude through everything that they did. Just the way that they treated our people, taking guys out on strike and just keeping us there, hanging on to the takeaway demands.

They'd have a list that they'd present to a committee with no respect to the union and the sacredness of some of those articles, like mandatory overtime, that these guys . . . the pioneers . . . fought for And the company and McCardell's regime came in there and they sort of like slapped the whole union up the side of the face and said, hey, take this back to your membership and if they don't buy it and you don't sell it, we're on strike, that's it. It was like they was slapping us in the face.

Local leaders were acutely sensitive to issues of self-respect and status. Describing local negotiations, one leader commented:

I think there was an air about them, that they thought they knew more about things than a person like myself that doesn't have a college education. And they felt that they were superior to us and so they wanted to put the screws to us. At least that's how I felt about it. Just their attitudes. Their arrogance.

The company's lead negotiator, in particular, was targeted as someone who acted snooty, according to a UAW official:

Obviously, he was trying to put himself way above everybody else in the room including his own people, I'm sure. I think even Art [Shy] made comments about him . . . how he prissied up. I'm not sure he used those words but something to that effect. The thing of it is that I gathered that our guys were used to kind of dealing with the old kind of tough management, who came in and told you where the bear went through the buckwheat. They didn't mess around with words and hell, they could cuss as good as we could. And that's kind of been the style of Harvester. There was nothing lost in any damn interpretation. With Chandler it was kind of above talk from him.

Style and dress were also noted indicators of status barriers. This union official went on to describe how "one guy on their side came in with an ascot . . . so the guys, after they left, some of them were putting the napkins in so they could have their little ascots on. It looked like some of these guys come out of the yacht club or something to meet with us." The lead negotiator,

in particular, "seemed to me like a guy that ought to be dealing with airline stewardesses," he added, and a union leader commented, "He wore silk suits and walked in like a movie star."

These two responses to IH's breach of negotiation routines indicate that participants in negotiations depend on those routines to maintain a shared world of interaction with their opposites—and this is based on *competence* and *mutuality* (the feeling of joint participation in the process). Negotiators, and participants in interactions, need to believe that their opposite is not unilaterally defining the terms of negotiation (i.e., is not "arrogant") and is competent. Following the negotiation routine (both in terms of being true to a particular form and not deviating too severely from past routines) is critical as a means of maintaining perceptions of competence and mutuality.

Without those routines—and the shared world of negotiations which they supported—Pat Greathouse eventually lost control of the negotiation process; he was unable to direct the flow of issues or establish sidebar discussions. This may have been exactly what the company wanted, but it also made it harder for Greathouse to contain radicals on his bargaining team. Once that happened it was all but impossible for him to negotiate a compromise with International Harvester.

There was certainly a fundamental conflict between the UAW and Harvester that made it difficult to find some common ground, but that problem was exacerbated by the breakdown of the negotiation process itself. With the negotiation process neutralized, and the UAW unable to manage their political situation, the basis for negotiations shifted to the public level of the mass media and local union rallies. Lacking norms of interaction, and the interactive competencies that they supported, it was impossible for company and union negotiators to assess the actions of their opposites, interpret the outcomes of alternative actions, and maximize utility. If the company and the union did not act "rationally" in this case, it was partly because there did not exist a common game with common rules.

CONCLUSION

My research has focused on an understanding of the influence of interaction rituals in a particular set of events: labor negotiations at International Harvester. This case shows the double-edged nature of the cultural sword. IH, realizing that it needed to effect dramatic change, systematically replaced the top echelon of the company with outsiders to consciously eliminate the "old ways" that had hurt the company for decades. But in the process the company also systematically destroyed, or isolated, its cultural and interactive competence in negotiations with the UAW. Much of the frustration and anger surrounding the 1979 negotiations was due to the impression conveyed that IH was incapable of—and not interested in—shared interactions with the UAW.

This case has shown that the maintenance of an organization's culture is in fact the maintenance of the background expectations that guide interaction and allow for coordinated action—even in situations of conflict. For this reason, organizational culture is much more difficult to change than those of the "symbolic manager" school have argued (Peters and Waterman, 1982; Pfeffer, 1981; Smircich and Morgan, 1982). The basic rules of the game are not so easily manipulated. A leader may make pronouncements concerning new goals, but it is the minute details of doing things differently that wrench people away from the comfortable awareness that "things are as I understand them."

It is this interactive dimension that needs to be added to studies of organizational culture. Symbolic manipulation and organizational myths, sagas, and purposes are important elements of organizational culture, but they stand above, and separate from, social interaction. The existence of a link between the micro level of interaction norms and broader cultural processes must be questioned, and the nature of the interaction between these levels studied.⁸ A cultural analysis of organizations must, first, recognize the role of unexpressed norms of interaction in carrying organizations' cultures, and, second,

analyze the relationship between these interactive rituals and the more generalized aspects of culture.

NOTES

1. IH's employment in 1979 was 95,000; as of November 1987, IH (now called "Navistar") employed less than 13,000.

2. Both Merry and Silbey (1984) and Kolb (1984) have made significant strides in the direction of a more culturally sensitive analysis of negotiation.

3. See Peters (1955) and Walton and McKersie (1965) for examples of the type of analysis that needs to be revived, and Kochan (1980) and Capelli (1985) for criticisms of the trend away from such analysis.

4. My call for an approach that attends to interaction in organizations has reminded some readers of this article of the "negotiated order" literature developed by Anselm Strauss (Fine, 1984). While I am indeed pushing in that direction, my focus on a common cultural base and interaction rules allows for less ongoing change and personal strategizing than the negotiated order literature presumes. I do not see actors having freedom to continually renegotiate the basic ground rules of negotiation, given political constraints and established expectations.

5. After older, more senior workers were transferred to this plant (their plant was closed), the younger, local workers took the brunt of ongoing layoffs. The older newcomers, in effect, took the jobs of younger locals. They were dubbed "boat people" and "foreigners" by locals, and the local union was suing the International.

6. For more details on my research methods, see Friedman (1987).

7. To run the plants around the clock: 8760 hours a year.

8. This, exactly, is the central point of concern for scholars on the forefront of cultural analysis today. Bourdieu (1977) spoke of the opposition between rules and practices; Comaroff (1982) looked at surface forms and their interplay with underlying structures; and Giddens (1979) opposed institutional analysis to theories of strategic action.

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