

Creating Transparency in Managerial Decisions as Tool to Effectuate Organization Change: An Experiment in Mutual Gain Bargaining in a Large Public Transit Agency

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Abstract

A consistent challenge facing chief executive officers is organizational acceptance of a common vision. Faced with profound new organizational realities, the traditional decision-making roles of senior management and labor need to be revisited to create alignment of strategic interests. Inertia for a radical departure from traditional roles was provided by external threats to one organization. With joint survival at stake, management and labor leaders agreed to search for a process to resolve pathogenic issues related to alignment of core values and each organization's perception of the agency's purpose. A uniquely designed mutual gain bargaining process helped develop understanding of both parties' core interests and provided the framework to resolve deeply imbedded issues. This transformation required a transparent decision-making process with personally involved senior labor and management leaders, restructuring certain administrative activities, joint study teams, and intensive interpersonal communication training. While the process has helped the organization create skills in problem solving, it has yet to unfreeze some parochial behaviors, which detract from acceptance of a common organization vision and purpose.

Introduction

One of the major challenges facing management is their ability to have unions accept and support their strategic vision for the organization. This paper discusses an approach used by the leadership of a large urban mass transit agency attempting to align management's new strategic direction with the interests of the membership and leadership of three unions. Previous lack of alignment resulted in a history of troubled relations between management and labor. conflict between the parties escalated to the point that the State's Legislature started to explore ways to breakup the agency. This external threat provided the impetus for management and labor to seek a radical change in their relationship. The agreed upon approach was to use collaborative collective bargaining and decision-making. This paper provides an overview of managerial approaches to decision-making, a brief history of public transit labor relations in the United States, a snap-shot of the agency, a discussion of the process and changes made to the organization's structure, models developed to change collective bargaining and decision-making behaviors, results of the bargaining effort on union and management's perception of the organization's leadership, changes in organizational performance and a summary of lessons learned.

Historic Perspective of Participation in Decision-Making

The concept of participation in decision-making (PDM) has provided grist for debates among and between behavioral scientist, social scientists and practitioners. The ongoing debate of when to provide for participation and when senior executive should unilaterally decide has produced volumes of literature while leaving significant questions unanswered. The intent paper is written to contribute to the discussion by providing a view of participation in decision-making within a single organization.

For the purpose of this paper “participation” refers to active involvement of subordinates or followers in the making of decisions that directly affect them in the work place (Harrison, 1999). The term “transparency” refers to the gathering of information and openness of discussions related options involved in the making of a final decision. Transparency does not mean the delegation of final strategic decisions to subordinates or followers.

Arguments supporting the need for greater participation and transparency range from the theories that doing so is a sign of enlightened democratic management (Argyris, 1964; Likert, 1967; McGregor, 1960), to using the process to fulfill a managerial moral obligation (Harrison, 1999), to it is necessary to create an individual’s closer identification with the organization thus increasing social pressure which will result in increased output (Patchen, 1976; Miller & Monge, 1986)

Dale (1953) provides an historic point of departure in the study of PDM by providing a worthwhile typology of decision-making styles in American

organizations. While his terminology may appear a bit dated, the typology provides a framework, which has been added to by others. If one places Dale's typology on an autocratic - democratic continuum, the one-man control style anchors the autocratic end. While Dale's terminology is not politically correct, the one-man (woman) style is still commonly found in organizations of all sizes and sectors. This oligarchical approach to decision making has a continuation of paternalism and protection of confidentiality of matters related to strategy and processes as its operative goal (the leader knows best). Moving toward the democratic end of the continuum one finds Dale's oligarchical control system. This decision-making style delegates decisions to a few trusted members of a senior staff (those loyal rule). Moving further toward full participation is Dale's integrative or democratic approach to decision making (trust the masses). Dale provides an interesting end to the continuum with the placement of rebuttal of decisions. The rebuttal decision control approach can still be found in organizations subject to oversight by boards of directors, legislatures or a voting public.

Tannenbaum and Schmidt (1958) expanded the decision-making typology to seven different styles using the degree of a manager's influence and the degree of subordinate/follower freedom in decision-making as determinants. Vroom (00) adapted a more parsimonious approach and collapsed styles into five categories. Vroom's continuum ranges from Dale's oligarchical style now named Decide with other styles along the continuum named Consult Individually,

Consult Group (Dale's Integrative/Democratic style), Facilitate, and Delegate to Subordinate being the last stage.

The call for a more participatory approach to managerial decisions has a long history. Chester Barnard (1938) reminded senior management that they were part of a system and that acceptance of the authority and decisions of leaders is subject to specific conditions by the follower. Follett (1940) discussed the concept of integration of multiple perspectives into resolution of issues. She defines the process of integration as "involving invention... and the clever thing is to recognize this and not let one's thinking stay within the boundaries of two alternatives which are mutually exclusive. In other words, never let yourself be bullied by an either-or-situation...Find a third way." Thompson (1967) discusses the fluidity of decisions and the need for there to be alignment (harmony, compatibility) between a set of interdependent variables (often from multiple stakeholders), which collectively form a network of organizational relationships. Maier (1970) warns of the seductive nature of power found at the oligarchical end of the spectrum. "When one has sufficient power, one does not feel the need to make efficient use of facts." The concept of decisions being made in the context of a larger system is further developed by Morgan (1997) who uses a living organism as one of his metaphors for organizations. For Morgan organizations behave in a manner similar to a plant or other living organism. The organism creates behavior that responds to outside stimuli and threats. This adaptive process allows the organism (organization) to survive even in hostile climates. Senge (1990) provides five disciplines for organizations to be able to learn and

thus respond appropriately to their environment. The first discipline is personal mastery (focusing individual energies, clarifying and deepening personal vision, developing patience and seeing reality objectively), second understanding the mental models used to make decisions and to develop a sense of the world, third building a shared vision for the organization, fourth team learning by suspending assumptions and entering into a genuine “thinking together” dialogue. The fifth discipline is system thinking, which requires an understanding of the invisible fabrics of interrelated action which link the organization to its internal workings and the outside world.

In the 1980s other voices supporting greater participation came from those studying Japanese decision-making. The most prominent of those was William Ouchi who provided insights into the Japanese decision-making method. This Asian focused research found that Japanese organizations tended to form collaborative organizational designs, which involve labor, management and government in all major organizational decisions (1981 & 1984).

Also during the 1980s the seminal work of the Harvard Negotiations Project started to appear. Fisher & Ury’s best selling book *Getting to Yes* (1981) provided a clear model for organizational leaders to experiment with as they attempted to move toward the democratic end of the decision-making continuum. Ury, Fisher and Patton’s work at Harvard provides the foundation for the model explicated in this paper.

United States Public Urban Mass Transit Labor Relations

To provide a context, a review of Public Urban Mass Transit's (mass transit) labor management relation is offered. Mass transit in the United States has a history of troubled labor-management relations. A study of 184 transit negotiations between 1960 and 1976 found that 28 percent ended in either a strike or arbitration (Greenbaum, 1983). A Bureau of Labor Statistics study helps place mass transit's labor management bargaining history in the context of other public sector bargaining. Between 1982 and 1988, 6 of the 52 strikes involving more than 1,000 employees in public agencies as diverse as the federal government to Elementary and Secondary Education, were in mass transit (Weinstein et al, 1990). An examination of the pathogens behind this conflict starts with reviewing the three-stage evolution of the transit labor-management relationship.

The first phase extended from after World War II until 1952. During this period, the automobile replaced public transit as the preferred method of transportation. The change in riding habits reduced public transit's revenue, causing ownership of the systems to shift from private companies to quasi public ownership. With public ownership came a series of state laws, which regulated labor management relationships and encouraged, if not mandated, arbitration to resolve economic and rights disputes. The second phase started with a 1952 Supreme Court decision, which determined that federal labor law covered Urban Mass Transit Systems. This ruling freed the parties to use economic action to resolve disputes. The third phase is the post 1964 Urban Mass Transportation

Act (UMPTA13c) era. The Act required transit agencies accepting federal funding to extend collective bargaining rights to their employees and established new parameters for labor-management transactions (Barnum, 1977).

State governments, who saw public sector labor management relations falling under their purview, did not always welcome the 13c requirements. As an example, the Georgia legislature ordered the Atlanta Transit Authority not to bargain over typical collective bargaining issues. Consequently, UMPTA monies were denied the state. A federal judge supported the denial stating that the legislature was free to enact the policy but, "it may not underwrite those policies with federal funds" (GERR, 1985). In Florida, a dispute arose over mandatory arbitration. The Supreme Court determined that bargaining rights provisions under 13c did not make arbitration mandatory (LRRM, 1982). As a result of these two decisions, local agencies accepting UMPTA funds had a better understanding of their new structure for collective bargaining.

Adding to the complexity of the labor-management relationship were changes in agency governing structures. With agencies now operating under local government leadership and accepting federal money locally, the governing boards of these agencies tended to become political appointees, or in some districts, locally elected. The Board members could handle the concerns of citizens relating to public transportation (fares, levels of service, and location of routes) at a fairly low level in the government hierarchy thus freeing senior elected officials (Mayors, City Councils, Boards of Supervisors) to focus on other issues. While this structure may serve the interests of senior government

leaders, it created tension in the collective bargaining relationship between the agency's line managers and unions.

The prime source of the tension however, was the Union's realization that the agency governing board was the real power in an agency since they tended to retain authority for approving all major changes in labor contracts. As a result unions tended to attempt to bypass agency management and deal directly with board members. The multilateral character of this relationship creates labor management issues uncommon in other public bargaining venues where a legislature or local elected body establishes the role of management in labor relations and sets the framework for settlements and management, and where unions tend to reach an agreement within the guidelines (Coleman, 1990).

Decreased federal, state, and local funding has also contributed to recent tensions between transit agency management and labor. These problems tend to create tension in three ways. First, tension is a result of management's response to funding short falls by raising fares. Because of the elasticity of demand for mass transit, this strategy rarely creates increased revenue and tends to upset riders. Riders in turn tend to take out their frustration on the drivers who in turn vent their frustration on their union representatives. The next tension is driven by management's cost reduction strategies. At the core of this strategy are attempts to reduce pay and benefits or elimination of work rules. The third area is past dependency on federal subsidy and the failure of agencies to develop solid long-term strategies to replace lost funding. Federal funding cut backs started with President Carter's administration and continued with following

administrations. This policy was continued by President Reagan, who in his 1985 proposed budget, called for a 70 percent reduction in funding to transit. This policy change was significant in that prior to 1985, federal funding providing a large portion of transit's operating and capital budgets.

Even with reduced funding, transit agencies are still dependent on federal, state and local government funding. Often s government agencies base their funding decisions on the ability of management and labor to be creative and effective problem solvers.

Organizational Context

The agency studied is located in a major urban California setting. The Agency's 1996 annual operating budget was \$153.4 million dollars. The capital budget for the same period was \$113.3 million dollars. Three unions represent all but a small portion (less than 3%) of the two thousand employees working for the agency. The Fiscal Year (FY 1996) budget reflected a constant dollars revenue drop of 8.5% since FY90-91. As a result of declining revenues, the agency negotiated wage freezes for employees in all three unions and froze the wages of senior management.

In light of the ongoing fiscal problems and ongoing conflict with its unions, the agency asked an outside consultant to assess the collective bargaining climate and recommend a strategy designed to help align the interests of the unions and the agency. The consultant interviewed members of the Board of Directors, the General Manager, senior management, senior union leaders from all three unions, members of the executive committees from the three unions,

and agency staff members involved in past collective bargaining efforts. The interviews revealed seven factors that contributed to the current tension between labor and management.

- ?? Centralized Decision-Making - Critical operational and personnel decisions could only be made by headquarters
- ?? Stagnation - The agency lacked a sense of urgency in addressing financial and operational issues
- ?? Lack of Accountability- There was limited management accountability below the Assistant General Manager (AGM) level
- ?? Turn Over Certain key jobs had a high rate of turn over; mid-level managers lacked the skill to perform their jobs
- ?? Power Vacuum- High turn over at the AGM level created a power and talent vacuum
- ?? Lack of Trust- There was little trust between most employees in the District
- ?? Short Term Thinking- Criteria used for most decisions were short-term results (Estenson, 1998)

The findings were presented to the Board of Directors, Senior Management and the leadership of the unions. During discussions with the three groups, it was agreed that the closed decision-making process and the adversarial approach to labor relations had to change. A consultant was brought in to develop an alternative model and present it to the Board, Senior Management, and the Executive Committees of all three unions. Separate presentations were necessary because of the low levels of cooperation between the three unions and the lack of trust between all parties. After the presentations the parties agreed to attempt a collaborative approach to bargaining.

To test the effects these processes had on organizational work climate and performance, the consultant designed a survey, which provided a base line of the perceptions of the parties toward key elements of the work climate. Data on key

performance metrics was also collected and made available to management and labor participating in the process.

The survey contained forty Likert scale (1-5) questions designed to provide information related to eight characteristics of organization's climate which in turn were linked to organizational attributes creating barriers to effective labor-management relations. These attributes were:

- ?? Hierarchical management structures
- ?? Skill level of senior management
- ?? Skill level of immediate supervisors
- ?? Knowledge of the mutual gain process
- ?? Long term versus short view of the organization
- ?? Responsibility individuals take for their actions
- ?? Organization's ability to learn
- ?? Level of perceived trust between the parties

The survey was validity tested by a cohort of faculty teaching organizational behavior courses at California State University Sacramento, College of Business, and a control group in the organization representing each of the unions, senior management, midlevel managers and supervisors. After adjustments were made to address the questions' clarity and relevance, the survey was sent to those selected to participate in the forth-coming negotiations.

Low scores indicate a positive work climate while high scores indicate the existence of barriers to a collaborative decision-making process. Responses to the initial survey indicated significant barriers existing in the areas of senior management skill, supervisory skill, knowledge of how to collaborate, individual's willingness and ability to take responsibility for their action and trust.

Table 1. Pre-Bargaining Perceptions of Work Climate

Group	Hierarchical	Sr. Mgmt Skill	Supervisor Skill	Mutual Gain Knowledge	Future View	Responsibility	Learning	Trust
Union One	2.63	3.56	4.6	4.2	2.9	3.2	2.9	3.5
Union Two	2.8	3.75	3.83	3.32	3.5	3.07	3	3.44
Union Three	2.45	3.8	4.2	2.9	2.89	3.68	2.8	3.3
Mgmt	2.33	2.89	3.22	2.78	3	3	2.6	3
Weighted Combined N-16 Resp Rate 52%	2.53	3.47	3.93	3.4	3.1	3.3	2.9	3.3

To determine the effectiveness of the process three key performance indicators were selected by the board of directors and senior management. The first indicator was accidents per 100,000 miles driven. This metric provides senior management data related to safety awareness, skill of operators, complexity of route design, and in some cases the attitudes of drivers toward work. The second operational indicator is miles between road calls tell management the distance a bus travels before it breaks down while in service. This indicator informs management about the effectiveness of maintenance schedules, skill of mechanics, the maintenance process and possibly mechanic and supervisor attitudes toward work. The last indicator, leaving dispatch terminal behind schedule (Late Pull Outs) provides information tying maintenance and bus operations together. Late pull outs could be the result of lack of busses in service or a lack of drivers to meet the schedule.

These combined indicators provide management a snap shot of the system's performance and clues on where potential problems may be developing.

Base line data on these indicators is as follows:

Table 2. Pre-Bargaining Performance Metrics

Performance Metric	1997 Data
Accidents per 100,000 miles driven in four divisions	5.49
Miles between service calls to report broken bus	33,991
Busses that leave the dispatch facility behind schedule	88.6

With baseline data established the parties involved in the process started to review options for changing the collective bargaining and decision-making process.

The Model

Studies across organizations reveal increased participation providing greater overall satisfaction for employees in a wide range of organizations. A small liberal arts college increased faculty and staff satisfaction by making information available and encouraging participation (Driscoll, 1978). A large manufacturing firm found positive correlations between participation in decision-making and satisfaction with work and the general work climate (Schuler, 1980). In high technology, five research labs found that researchers had a strong desire to participate in the choice of laboratory projects (Abdel-Halim,(1983)

With this history of positive effects using participation in the decision making, it was surprising that Heller (1987) found that no more than 50 percent of all decisions made receive meaningful input from followers. Harrison (1999)

explains that the amount of senior management time and effort required in the process was one barrier. He also found that the need for confidentiality, the required complex knowledge and the professional judgment of decision makers as other possible explanations.

Argyris's (1957) early warning of the use of "pseudo-participation" which he defines as "participation that is perceived as less than genuine," resonates today. He predicted that if participation were perceived as false it would transform advantages into disadvantages. For him the test for true participation is the people being observed as spontaneous and free in their discussions. In this climate groups will be involved to extent that they will actively accept or reject a course of action (145).

Dunlop (1958, 1993) moved the participation discussion to labor relations where he introduced the concept of bargaining as a system, which operates more broadly than other human resource activities. Dunlop argues that system thinking is important in labor relations because it is based on the interaction among various stakeholders and external factors influencing the operation of the organization. His list of actors in a systems-driven process includes managers, worker organizations, unions, government, technology, and product markets. In this symbiotic relationship between diverse external and internal factors requires fluidity and a fast response when a change occurs in any of the external or internal forces affecting the system (Dunlop, 1993). Failure to create a responsive system can result in the agency being forced to contract out work or cease performing the function.

Traditional American bargaining tends to be mechanical and stability seeking, rather than organic and fluid. This behavior is rooted in the process of polemics as the primary method of searching for agreement or understanding of issues. Added to the high level of tension created by polemics is the history of violence and distrust between management and labor in the United States. The rigidity of the traditional process is reflected in the manner in which the parties use information. Instead of information being used as a tool to educate the other side, it tends to be used as a weapon to beat the other side into submission. This limiting process continues in the way bargaining teams are structured.

Typically, both sides select a single heroine or hero to lead the charge against the other side. Joining the leader is a small cadre of carefully selected lieutenants. Because of the small size of this bargaining group, organizational learning (OL) is limited. OL is hindered because of the requirement that organizations create systems, which allow information to flow to those who need it to accomplish their task. OL also requires organizations to share mistakes made and to allow for the creation of relationships within as well as outside the organization (Senge, 1980). The structure of the traditional bargaining process is contrary to these primary tenants since it limits both information and the opportunity for organizational members to establish cross-functional learning relationships.

A different approach to bargaining started to appear in the literature in 1965 (Walton & McKersie, 1965). This approach asked the parties to think about negotiations as joint problem solving and an opportunity for mutual gain. This

model viewed information collection as a collective effort using as many sources of information as possible. This included involving the traditionally forgotten lower level staff members and union rank and file.

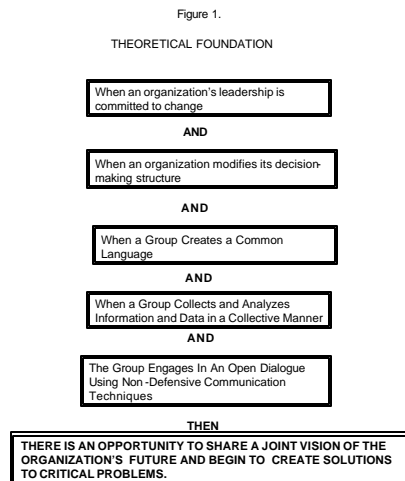
In the mutual gain model's data collection stage, value-laden language is noted and provides the starting point for a dialog of interests. Craig (1995) noted the need for clarity of key terms e by Craig (1995) in his discussion of innovation in the Japanese Brewing Industry. Parties discuss value-laden terms, and agreement is reached on the precise meaning of each term. As an example, "absenteeism" is a term that evokes strong feelings in most organizations. To address interests around someone being absent from work, the parties need to define what is acceptable and unacceptable absence. Once the term is clearly defined, the parties can start to address each side's interests. With interests clearly framed, the parties can start to work on the last and most difficult step in collaborative problems solving. This last stage of the model requires the parties to develop trust. For Walton and McKersie (1965), trust was defined as the ability to candidly discuss preferences without that information being used against each other. A classic example of this process in use was the 1957 negotiations between Harry Bridges of the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association. The result of their efforts was an agreement that allowed shipping companies the flexibility to containerize freight and provided union members a cushion for the shock of technological changes.

The model used by the transit agency discussed in this paper borrowed heavily from Walton and McKersie's integrative bargaining strategies as well as from information provided by the Harvard negotiation project. Because of the initial lack of trust between the parties, a traditional mutual gain (collaborative problem solving) model was modified. Changes included the option of withdrawal from the process and proceeding using traditional bargaining without penalty. This change was made to allow each side to address fiduciary and legal obligations unique to this agency. By allowing for contingent participation in the process, assistance was provided to the parties in their search for synergy in their relationship. Hampden-Turner (1970) defined synergy as the optimal balance between individualism and integration.

As prescribed by the Harvard Model and proponents of "Open Book Management" (Davis, 1997), this model includes extensive prior training in interpersonal skills, statistics, public finance, agency operations, and public administration prior to attempting to solve real organizational problems. Another unique feature of this decision-making model was the continued involvement of key leaders from both management and labor. Traditionally negotiations are conducted by surrogates who explore issues and allow senior decision makers room to maneuver. In this model surrogates were replaced by a joint strategic decision making body that were responsible for making final decisions and carefully selected and managed joint study groups who collected data. The study groups were designed to include a broad range of agency employees' who would have the opportunity to be exposed to significant strategic agency and

union issues. Selection for membership in these study groups was based on either expertise or interest in the subject being studied.

The underlying theory had five key propositions, which if valid would allow the agency to address pathogenic issues. First a successful process needs senior management commitment. Second existing decision-making heuristics and reward and punishment schemes need to be changed. Third the parties involved need to create a common language. Fourth data must be collected jointly Fifth non-defensive communication techniques need to be used during the bargaining process (Shotter, 1993; Harre, Rom, Gillett, & Grant, 1994). See figure 1 for the theory model.



Senior Leaders

Bargaining was structured in a manner requiring senior management and labor leaders to be present at all critical meetings. Their presence was needed

to symbolize commitment, model the behaviors expected during the process, and make decisions regarding allocation of resources. Willingness of leadership in both management and the three unions to participate in the process was the key to starting the bargaining experiment. The challenge was to bring the leadership of three separate, and not necessarily friendly, unions into the process. This was accomplished because of the trust each union had in the chief executive officer and the external threat to downsize the agency.

The significance of the change being asked of the leadership is reflected in the pre-bargaining hierarchical decision-making survey scores (2.53 on a 1-5 scale with 5 being very hierarchical). Pre-bargaining interviews indicates a perception that decision making was done by withholding key information and using information to embarrass the other side in public venues. The information withholding game was endemic in the organization with the behavior not only being seen at the senior management but also at the supervisory level. Adding to the information problem was the organization's highly rigid silo structure. These department silos were used as power bases to launch attacks against other departments and unions.

The proposed process threatened this structure by creating permeable structures with information flow across and up and down the organization. It also attempted to remove power bases constructed on knowledge withholding behaviors.

As stated earlier, it was clear that organizational change of this magnitude could not be conducted without the enthusiastic support of senior management.

Common language

In traditional polemic based bargaining models, parties tend to use value-laden terms to make their points. Using this communication strategy may allow for inclusion of emotional content in messages which may vent the frustrations of the sender, but does very little to help the other side understand the core concerns of the sender.

During this negotiation, both parties were asked to use language that was clear and as free as possible of value-laden statements. As an example, “absenteeism” was a term with a negative history. The group attempted to find the reasons the term caused tension. They found the problem was in its lack of an operational definition. To solve the problem, both sides recognized the need to discuss the concept using a continuum to define acceptable attendance levels. To get to that point, they stopped referring to it as “absenteeism” and, instead, referred to it as problem X. Once the term was clearly defined and operationalized, it was found that management's perception and reporting of the levels of absenteeism was much higher than what was actually occurring. Skill

Building and Data Collection

At the beginning of the process, trust between groups was very low. To assist the trust building process, participants agreed to participate in team building training, use joint data collection teams, and use facilitators to help all groups.

Training for participants was based on the concept that increased direct personal interaction would contribute to higher levels of trust. To help build

cohesion between group members, management and union members who would be part of various future teams trained together. Each group's series of seminars and workshops started with a communication seminar. The seminar focused on being heard, use of language, bias and perception. The second tier of training provided participants hard skills needed to work in data collection. This training included fundamentals of public finance, statistics, transit planning, transit operations, and public administration.

Once trained, teams collected data related to critical issues and provided the data to strategic groups conducting the actual negotiations. In addition to data collection, the groups were asked to develop a list of options, which could help resolve issues. In developing options, the group was free to make joint recommendations or to bring back options supported by an individual or individuals within the group. Discussions of this nature, at low levels in the organization, helped individuals, who had not been part of strategic planning, understand the operation of the entire agency.

Supportive Communication Strategies

Gibb (1961, 1978) suggests that critical information can best be exchanged using non-defensive supportive communication techniques. He categorizes communication techniques as defensive when they evaluate, control, or are strategic, neutral, superior, or certain. He suggests another approach to communication, which is supportive using language, that is provisional, empathetic, equal, spontaneous, problem oriented, and descriptive..

Mintzberg (1996) prescribes communication-taking place face to face when collaboration is sought. The basis for the recommendation is the richness of medium provided because direct contact allows for nonverbal communication which facilitates the delicate process of integration of ideas and energy (pg.63). In response to the Gibb / Mintzberg prescription, all participants in the process received training in the use of supportive communication techniques and agreed to take steps toward applying these techniques during bargaining. It was felt that this communication strategy provided a greater chance of resolving issues and opportunities to start to build trust.

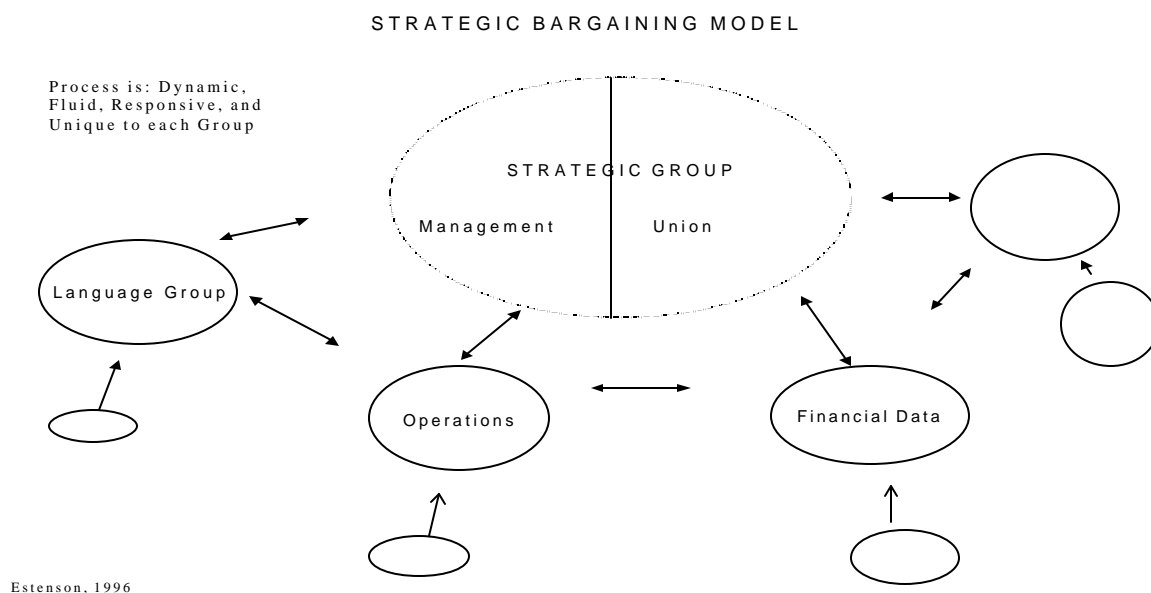
Prior to training in the process, the three unions and management selected members for their Strategic Bargaining Groups (SBG). These are groups that were composed of senior leaders who would be responsible for:

- ?? Setting the tone of the negotiations by clarifying the interests of both parties
- ?? Limiting the number of issues addressed
- ?? Providing direction and management of the data collection teams
- ?? Negotiating the final agreement
- ?? Coordinating implementation of the agreement.

The model for the structure of bargaining is set forth in figure 2. The key to the structure is a design where each group could create the number of study groups necessary to collect information and study critical issues. The structure was flexible, with study teams being created and eliminated when their task was completed. In addition to collection of data, the study groups were intended to be incubators to develop future management and labor leaders and provide more members of the agency access to strategic issues facing the agency.

The shape of the model is very similar to the Japanese philosophical concept of Ringiseido. The similarity is in both models allowing members to participate in decision-making while respecting and maintaining their traditional organizational relationships (Ala & Cordeiro, 1999).

Figure 2.



RESULTS AND ANALYSIS

The most telling result of a process using transparency in bargaining was the ability of the parties to reach an agreement without work stoppages. The depth of skill learned by parties can also be seen in their ability to reallocate economic portions of the agreement to offset increased costs. These changes were not made by changing long established work rules but were made by consistently applying existing work rules. Costs were also recovered through

changes in workplace behavior (absenteeism was lowered, workers compensation claim rates lowered and communication between different divisions in the organization improved productivity). The significance of this agreement is further enhanced when viewed in the labor relations context of the region. At the time this agency was bargaining another transit agency with similar expiration dates and labor management history was at the bargaining table. This agency went on strike and when workers returned to work their new contract, agency costs were increased and both sides still had unresolved issues.

The work performed by the parties in the 1995-1996 bargaining carried over to the 2000 bargaining where all three unions reached agreement without a work stoppage or arbitration. The other agency is currently (July 2001) operating under a 90-day action by the governor stopping another work stoppage.

A post-negotiations study was conducted to measure the degree to which the process helped the agency meet its goals and to memorialize lessons learned. The methodology employed to perform the post-bargaining analysis was similar to the pre-bargaining study. The same organizational climate survey was given to previous respondents from management, union rank and file, and union officials.. Sixteen of these individuals returned surveys.

Interviews

Data gathered from the interviews were categorized as comments related to:

- ?? What in the process should be retained?
- ?? What in the process should be changed?
- ?? What constitutes an ideal labor-management relationship?
- ?? How close is the agency to the ideal?

The participants indicated the following best practices:

- ~~///~~ Training in advance of bargaining
- ~~///~~ Utilization of study groups
- ~~///~~ Use of skilled facilitators
- ~~///~~ Use of an open system (involve as many individuals as possible in the process)
- ~~///~~ Keeping a joint memory of what was done in each meeting

Interviewees provided the following thoughtful observations on what could be improved in future negotiations:

- ?? Increased pre and post bargaining training
- ?? Expanded opportunities to participate
- ?? Restructuring the bargaining process to allow for more time to engage in further research activities
- ?? Creating systems which support permanent behavioral changes

All forty-one interviewees were asked to define an ideal relationship between management and labor. The word pictures provided include the following attributes:

- ?? A positive work atmosphere
- ?? Flexibility in the structure of the labor contract
- ?? Respect for others as unique individuals
- ?? Roles and expectations clearly defined
- ?? Pride in working for an organization

When asked to rate the post-bargaining climate on a scale of one – ten, using ten as ideal, the respondents provided the following rankings:

Table 1.
Ranking of Labor Management Climate

Participating Group	Ranking	Number of Respondents
Board of Directors	6.4	5
Senior Management	6.4	5
Managers	4.15	13
Union One	5.28	9
Union Two	3.6	5
Union Three	3.6	4

Post-Bargaining Surveys

The same organizational climate survey was used to provide a more detailed picture of pre and post bargaining perceptions of the labor-management climate. Attributes measured in the survey were developed from information gathered during the initial organizational assessment. Each previous respondent was provided a survey asking them to evaluate the bargaining climate before the process was used. A second survey utilized the same items but asked for participant's perception of the current climate. By grouping the attributes into eight dimensions the degree of change was measured. The categories of attributes include:

- ?? Hierarchical management structures
- ?? Skill level of senior management
- ?? Skill level of immediate supervisors
- ?? Knowledge of the mutual gain process
- ?? Long term versus short view of the organization
- ?? Responsibility individuals take for their actions
- ?? Organization's ability to learn
- ?? Level of perceived trust between the parties

A review of the pre and post bargaining data indicates that each group of respondents had a unique view of the climate. There were, however, some common themes:

- ?? Limited response from the Union One cohort does not allow for a generalization of their union’s perspective. Three respondents however, saw a decrease in mutual gain problem solving skills, an increase in short-term orientation, and lower levels of trust. The Union Three cohort saw an increase in the use of hierarchical systems being used to manage the District.
- ?? When the responses from all cohorts are combined they saw some positive change in hierarchical structure (+4%); skill levels of supervisors (+7%), organizational learning (+4%) and development of trust (+7%).
- ?? The collective view was that there was a significant improvement in their perception of senior managers’ skills (+22%), increased skill in using the mutual gain approach to problem solving (+13%) and a movement toward a future orientation of the District (+12%)

Table two provides a detailed view of survey results.

Table 2. Summary of Pre and Post Survey Results

Group	Hierarchical		Sr. Mgmt Skill		Supervisor Skill		Mutual Gain Knowledge		Future View		Responsibility		Learning		Trust	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Union One	2.63	2.53	3.56	3.11	3.11	4.6	4.2	4.4	2.9	3.0	3.2	3.1	2.9	2.8	3.5	3.8
Union Two	2.8	2.4	3.75	2.83	2.83	3.83	3.32	2.7	3.5	2.75	3.07	2.64	3.0	2.9	3.44	2.6
Union Three	2.45	2.6	3.8	2.9	2.9	4.2	2.9	2.42	2.89	2.54	3.68	3.4	2.8	2.8	3.3	3.2
Mgmt	2.33	2.20	2.20	2.89	2.33	3.22	2.78	2.58	3.0	3.07	2.9	2.6	2.6	2.7	3.0	2.81
Weighted Combined N-16 Resp Rate 52%	2.53	2.44	2.44	3.47	3.93	3.6	3.6	2.9	3.1	2.7	3.0	2.9	2.9	2.8	3.3	3.0

An attempt was made to determine a correlation between labor-management climate and organizational performance. The lack of precise historical data used to measure organizational performance, the limited number of data points, and the significant number of intervening variables prevented the acquisition of statistically valid data.

Table 3. does however, provide a summary of the changes in the significant performance metrics. While the transparency in the bargaining process cannot be determined to be sole contributor to positive changes in two of three metrics it is safe to conclude that it did play a part.

Table 3. Performance Metrics

Performance Metric	1997	1998
Accidents per 100,000 miles driven in four divisions	5.49	7.14
Miles between service calls to report broken bus	3,991	5,192
Busses that leave the dispatch facility behind schedule	88.6	52.91

CONCLUSION

Traditionally senior management has absented themselves from the collective bargaining table. Their distance allows them to remain flexible on positions taken at the table and to step in should radical changes need to be made. Senior management in this organization viewed bargaining as an opportunity to provide an unfiltered explanation of their vision for the agency and create transparency in how data was used and decisions made..

Post bargaining interviews indicated that changing from traditional bargaining to mutual gain approaches requires significant pressure from outside the organization; strong union, management, and political leaders committed to the process; and line workers and managers willing to commit the energy and resources to reframe relationships.

Survey data indicates that the transparency in the method of data collection, use data and decision-making positively changed rank and file perception of the management style utilized by senior management, the skill senior managers possessed, the orientation of agency from past to future, and a belief that their problem solving skills had improved. Data was not available to determine if the process substantially improved organizational performance.

Individuals involved in this set of negotiations support continuation of the process. Their greatest frustration has been the lack of implementation of ideas generated during the bargaining. No one interviewed indicated a willingness to return to traditional hierarchical decision-making and adversarial bargaining. One long time union official stated that this was the first time in thirty years he felt his voice had been heard.

Research in the field of change management and mutual gain negotiations indicates that a change of this magnitude takes a great deal of time and that organizations such as those involved in this study need time to adjust. Interviews and survey data tend to support these findings.

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