

Negotiation Memorandum for Rhône-Poulenc

Executive Summary

The pattern of negotiations should reflect the needs of Manchester community as well as the sustainable business continuation of Rhone-Poulenc. The basic negotiation problem is the lack of confidence and communication, which mainly arise from Rhone-Poulenc's past ignoring attitude of residents and their environmental and health concerns. The road map I would like to lay out is comprised of goodwill and collaboration from the company's side, telling the people about the economic benefits of Rhone-Poulenc's being in Manchester both for them and the company, and resolving the problematic issues together, not with the participation of outsiders.

Barriers

The first barrier is the changing public perceptions. There has been a growing public concern about industrial hazards in the 1980s; the disaster in Bhopal, India and the quagmire of Love Canal, New York increased citizen and governmental awareness of risks in manufacturing, transporting, and disposing of toxic chemicals. Toxic Release Inventory (TRI), created by Title III of SARA (Superfund Amendments and Reauthorization Act), changed the way the companies do business. The second, complementary to the first impediment, is the necessity of higher safety precautions to reassure the community's concerns. The final issue is the poor communication between the plant's administration and the residents. The noncooperative attitude of Rhone-Poulenc in the past caused the company representatives to take the community for granted and ended up in a patronizing attitude. The informational meeting on November 21, 1991 was striking when company personnel sat at the front of the room along with government

representatives whereas citizens sat back in the audience. The tendency of the company in working only with the public agencies, such as Texas Water Commission (TWC), and satisfying their requirements, added more to the dispute since the residents' anger and suspicions have not been dealt in a just manner.

Individuals

The most important face is Carol Alvarado who has mobilizing skills. Influential public figures such as senator John Whitmire and state representative Mario Gallegos have a stake as well. Besides, Gene Green -a candidate for Congress-, Rick Noreiga -a candidate for state representative-, Mario Quinones -a retired local businessman and forty-year resident-, and Rafael Enriquez are other related parties. Finally, Diane Olmos is an important figure who lost her husband to cancer and is suspicious about the nearby toxic disposal company's impact.

Interests

Manchester residents want the industry to establish local emergency planning committees, to develop risks plans for responses to hazardous materials accidents, and to keep on file at local fire stations inventories of hazardous chemicals. Their major interests are to get more information about company's emergency plans, chemical releases, and transportation plans. "Right-to-know" became a vital issue rather than legal abstraction, particularly following June 16, 1992 sulfur dioxide release at the plant and the worries of people about future leaks need to be dispelled. As for Rhone-Poulenc, it values its existence in Manchester and in America very much. Whereas until 1985 the company has had little American presence with three percent of global sales coming from the US, within the next five years it ambitiously grew thanks to 18

separate purchases in this country. As a result, Rhone-Poulenc enjoyed to climb to the 7th spot from the 12th across the globe.

Failure: An Option?

There are two major steps to be taken in the case of a disagreement. The first one is to move the plant to another domestic location, and the second is to search for international sites; nevertheless, both choices are costly, time-consuming, and tremendously bureaucratic. What is more is the lack of information and foreseeability that whether such alternatives would be able to provide a preferred outcome for the company. Even so, possible further delays will make the consequences more serious with lost business opportunities and significant legal expenses. Hence, I contend that improving the power of alternatives does not lie in the company's efforts to search for other venues, but rather in the attempts to demonstrate a 'Rhone-Poulenc'less future for Manchester residents. Put differently, since the majority are working blue-collar people, Rhone-Poulenc should be introduced as an indispensable economic actor for the community.

As for the town, the residents are aware that shutting down the plant is not an economically expedient decision since the TWC is believed to grant the permit modifications regardless of the strength of public opposition. In fact, there are not clear alternatives for Manchester if the negotiations fail; therefore, their hard-core emphasis is given on the involvement of various parties so that the company would avoid further tensions in order not to expose itself to higher monetary and reputational losses. Making the town's such steps less attractive is no easy practice; yet, utilizing the discomfort of some residents for Texans United can be considered. It can be featured that once the "other" players take over the situation, they might exploit it for

publicity and fund-raising as outsiders with no ties with the community. Such a strategy towards Manchester residents can create a more fragmented structure among them; some of whom are already concerned that out-of-town actors can withdraw at any time and leave the community with a complete loss of trust.

Pre-Negotiation: Away from the Table

Before the negotiations, I suggest to contact senator Whitmire and state representative Gallegos. While it may sound controversial, Diane Olmos can be a powerful participant in company's theses if she is provided thorough scientific data on Rhone-Poulenc's operations and the economic substantiality of the factory's existence in the neighborhood. Finally, gaining a number of influential citizens such as Rafael Enriquez and Mario Quinones can help since identity and solidarity are taken very serious in Manchester. Such an initiative can act as a hand strengthening tool because of familial relationships. As a result, Rhone-Poulenc needs to search ways to build pre-negotiation coalitions in order to capture public approval.

Negotiations: Strategies and Positions

It is critical to form a direct talk structure with fully authorized individuals rather than representatives, who might be concerned more for their own interests and agendas; therefore, Texans United should not be at the negotiation table. Texans United better understands toxology, environmental engineering, and administrative law, and there is every reason to anticipate that their existence will create more problems. Next, I propose a multi-layer negotiation strategy aimed to concentrate on environment, leadership, communication, and social trust. In complement and relevant to this strategy, three negotiation moves I would suggest are to

undertake social responsibility projects, provide technical expertise to community, and maintain transparency and sincerity.

Environment is the most critical in helping the company reaching the remaining targets. There is a great need for Rhone-Poulenc to take initiative by using its innovative capacity in environmental safety issues, and build and accelerate the waste-reduction mentality. This move will bring the second issue, leadership, and it would create a leverage for the company to assume a leading role if this attempt is diffused throughout the industry. The mission of the company is encouraging in that it puts emphasis on issues such as safety and innovation. As for the communication, the company has no other options other than highlighting that the past “business as usual” practices would be replaced with a socially responsible and empathizing attitude.

Finally, Rhone-Poulenc can remarkably benefit from undertaking social responsibility projects in gaining the social trust. These projects can include involvement in education, youth employment, and job creation. As Gracie Saenz, the newly elected councilor-at-large, tries to set the stage for redefining corporate-community relations, the timing cannot be more suitable for redesigning the relations between the company and the town.

Social responsibility projects are good candidates to create value for Manchester residents in return for their dissolving public opposition. Since the community is mostly made up of Mexican-Americans, recent immigrants from Latin America, and African-Americans, thirty percent of the population do not speak English. Educational aid can act as a bridge-builder between the immigrants and other segments of the society. Moreover, the primary school can be

financially supported as it may give a symbolic message to the people as to how caring the company is for their children's future. On the other hand, a youth employment and job creation initiative for the poor sections of the town would be effective in gaining the trust and sympathy of residents.

Since few community organizations have the technical expertise to assess the information released, a surprising move by Rhone-Poulenc to offer Manchester residents a reasonable amount of technical assistance, which would not conflict with the company's informational privacy, can have a remarkable impact in gaining the confidence. I also suggest a complete attitude change of goodwill and collaboration in persuading the residents so that the anger and distrust of the community could be dealt in a sincere way. Such move coincides with the company's mission which gives a particular importance to partnership. Not only will an agreement serving to the needs of parties positively influence the future negotiations by setting a precedent, but it will form a strong foundation in making it sustainable for a long-term relationship as opposed to a transaction.