

THE ROLE OF FMCS IN THE '80's

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THANK YOU FOR THAT FINE INTRODUCTION. AS A FRIEND OF MINE OFTEN COMMENTS ON RECEIVING SUCH A ROUSING CURTAIN RAISER, THAT IS THE KIND OF INTRODUCTION WHICH MY FATHER WOULD HAVE FOUND INTERESTING AND WHICH MY MOTHER WOULD HAVE BELIEVED.

I AM DELIGHTED THAT I WAS ABLE TO ACCEPT THE INVITATION OF YOUR CHAPTER VICE PRESIDENT, ANTOINE ABOUD, TO BE WITH YOU TONIGHT. I THINK IT IS VERY IMPORTANT FOR ME TO LEAVE WASHINGTON PERIODICALLY TO VISIT WITH LOCAL LABOR AND MANAGEMENT PRACTITIONERS TO LEARN WHAT IS REALLY HAPPENING IN INDUSTRIAL RELATIONS. NEEDLESS TO SAY, I AM ALSO HAPPY TO HAVE THE OPPORTUNITY TO VISIT AGAIN WITH SOME OF OUR MEDIATORS FROM OUR PITTSBURGH AND ERIE FIELD OFFICES WHO ARE HERE WITH YOU.

I AM ESPECIALLY GLAD THAT OUR REGIONAL DIRECTOR FOR OUR EASTERN REGION, PAUL YAGER, WAS ABLE TO COME. WITH ALL OF OUR PEOPLE HERE, I AM BEGINNING TO WONDER WHO IS WATCHING THE STORE.

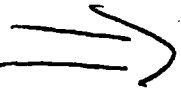
IN SPITE OF THE FACT THAT I AM CALLED UPON TO SPEAK TO VARIOUS GROUPS AROUND THE COUNTRY, THIS IS ONLY THE SECOND IRRA CHAPTER I HAVE VISITED SINCE I TOOK OFFICE LAST YEAR. I WANT TO CONGRATULATE YOU ON THE WORK YOU ARE PERFORMING THROUGH THIS CHAPTER AND ENCOURAGE YOU TO CONTINUE BECAUSE OF THE EXCELLENT WORK BEING DONE BY SIMILAR ORGANIZATIONS AROUND THE COUNTRY. WE AT FMCS ARE PARTICULARLY PROUD OF THE PARTICIPATION OF OUR OWN MEDIATORS IN LOCAL IRRA GROUPS.

IN SOME INSTANCES, THE LOCAL MEDIATORS WERE INSTRUMENTAL IN STARTING THE CHAPTERS; IN OTHERS THEY SERVE AS OFFICERS AND MEMBERS. WHILE THE PARENT ORGANIZATION, THE NATIONAL IRRRA, HAS TRADITIONALLY BEEN A HAVEN FOR ACADEMICS WHO WORK IN INDUSTRIAL RELATIONS AND OTHER ASSOCIATED FIELDS, THE LOCAL CHAPTERS HAVE ATTRACTED BROADER MEMBERSHIPS FROM THE RANKS OF BOTH THE PRACTITIONERS AND THE ACADEMICS. I HAVE NOTICED THAT AS A RESULT OF THE EFFECTIVE WORK OF THE LOCAL CHAPTERS, THE NATIONAL ORGANIZATION HAS MORE PRACTITIONERS AMONG ITS MEMBERS AND ITS LEADERSHIP.

ONE REASON FOR THE INTEREST OF OUR MEDIATORS IN THE WORK OF CHAPTERS LIKE YOURS IS THAT THEY PROVIDE VERY UNIQUE FORUMS FOR LABOR AND MANAGEMENT PRACTITIONERS TO MEET ON NEUTRAL GROUNDS TO EXCHANGE IMPRESSIONS AND IDEAS.

THESE CHAPTERS ARE FREQUENTLY THE ONLY PLACES WHERE THE PARTIES CAN GET TOGETHER OUTSIDE OF THEIR ADVERSARIAL RELATIONSHIPS TO ADDRESS QUESTIONS OF MUTUAL INTEREST AND CONCERN. THE RESULT OF THESE MEETINGS IS OFTEN THE CREATION OF A CONSCIOUS PROFESSIONAL COMMUNITY OF INDUSTRIAL RELATIONS PRACTITIONERS WHO KNOW AND RESPECT ONE ANOTHER. THAT MUST AND DOES HAVE AN EFFECT ON WHAT OCCURS AT THE BARGAINING TABLE IN THESE AREAS. AT THE VERY LEAST, THAT NEW DIMENSION OF ACQUAINTANCE SERVES TO DEVELOP KNOWLEDGE AND TRUST OF ONE ANOTHER, INEVITABLY LEADING TO IMPROVED BARGAINING AND MORE RESPONSIBLE CONTRACT ADMINISTRATION. AND THAT, AFTER ALL IS WHAT FMCS IS TRYING TO ACHIEVE.

NOW, I'D LIKE TO ADDRESS THE TOPIC OF THE EVENING, THE ROLE OF FMCS IN THE '80's.



BY WAY OF PROLOGUE, I WANT TO BRIEF YOU ON SOME RECENT DEVELOPMENTS AT FMCS. AS ALL THE AGENCIES WITHIN THE FEDERAL GOVERNMENT, WE HAVE BEEN IMPACTED BY BUDGET AND STAFF REDUCTIONS. WE HAVE HAD TO MAKE SOME FAR-REACHING DECISIONS DURING THESE LAST MONTHS WHICH WILL AFFECT THE WAY WE ARE ORGANIZED AND THE WAY WE OPERATE. FUNDAMENTAL TO THOSE DECISIONS HAS BEEN A SINGULAR RESOLUTION: WHATEVER OTHER SACRIFICES WE WOULD HAVE TO MAKE, WE WOULD CONTINUE TO PROVIDE THE BASIC MEDIATION SERVICES WHICH ARE ESSENTIAL TO THE LABOR RELATIONS PROCESS.

AS A RESULT, PERSONNEL CUTS HAVE BEEN MADE IN EVERY AREA OF THE ORGANIZATION EXCEPT IN THE AREA OF MEDIATION. WE HAVE BEEN FORTUNATE THUS FAR IN HOLDING TO OUR RESOLVE THAT WE WOULD KEEP OUR MEDIATION STAFF INTACT. WE INTEND TO CONTINUE IN THAT RESOLVE. AS A RESULT, WE WILL CONTINUE TO PROVIDE MEDIATION SERVICES IN THE PRIVATE SECTOR, IN THE PUBLIC SECTOR AND IN THE FEDERAL SECTOR AS WE HAVE IN THE PAST.

ORGANIZATIONALLY, WE HAVE HAD TO MAKE A NUMBER OF CHANGES WHICH WE EXPECT WILL ENHANCE OUR ABILITY TO SERVE THE PARTIES IN NEGOTIATIONS. WHEN I FIRST ARRIVED AT FMCS JUST A LITTLE MORE THAN A YEAR AGO, THE SERVICE WAS ABOUT TO PURCHASE A MAJOR IN-HOUSE COMPUTER TO REPLACE SOME OF THE CLERICAL FUNCTIONS WE HAD LOST.

WE WERE ALSO ON THE VERGE OF THE MOST MASSIVE REORGANIZATION WE HAD EXPERIENCED SINCE WE BECAME AN INDEPENDENT AGENCY IN 1947. I SPENT SOME TIME, THEN, GETTING A HANDLE ON THE DIRECTION OF THE SERVICE AND THE PATHS WE WERE TAKING TO GET THERE. THAT PROCESS IS STILL GOING ON--AND WILL CONTINUE DURING MY ENTIRE TENURE AS DIRECTOR. AS A RESULT OF SOME CAREFUL DELIBERATIONS, WE HAVE GONE AHEAD WITH THE COMPUTERIZATION AND THE REGIONAL REORGANIZATION OF THE SERVICE. I AM CONVINCED THAT THE CIRCUMSTANCES AND THE NEEDS WE FACED AND CONTINUE TO FACE DICTATE THE CHANGES WE HAVE BROUGHT ABOUT. I AM ALSO CONVINCED THAT THE CHANGES IN OUR MANAGEMENT AND DECISION-MAKING PROCESSES WILL MAKE THE SERVICE MORE RESPONSIVE TO THE NEEDS OF THE PARTIES AND TO THE PURSUIT OF THE PEACEFUL AND EQUITABLE LABOR-MANAGEMENT RELATIONS WE ALL SEEK.

THE END RESULT OF ALL THIS REORGANIZATION FOR YOU IS THAT YOU SHOULD NOT EVEN BE AWARE THAT IT HAD OCCURRED EXCEPT THAT WE TOLD YOU. IN EFFECT, WE WILL CONTINUE TO MAKE MEDIATORS AVAILABLE TO YOU AS IN THE PAST; WE SHOULD BE ABLE TO BE MORE EFFICIENT IN PROVIDING THOSE SERVICES; AND WE TRUST THAT OUR NEW REGIONAL AND DISTRICT STRUCTURE WILL MAKE THOSE SERVICES MORE RESPONSIVE.

P A U S E

BECAUSE THE REST OF THESE COMMENTS ON INDUSTRIAL RELATIONS REQUIRES THE USE OF MY CRYSTAL BALL.....I'M REMINDED OF THE STORY OF A PARTICULARLY FIESTY FOOTBALL COACH WHO WAS GIVING THE REFEREES A HARD TIME DURING A GAME ON THE WEST COAST. AFTER SUFFERING A VERBAL ONSLAUGHT FROM THE COACH BECAUSE OF A TIGHT CALL, ONE OF THE REFEREES TURNED TO THE COACH AND SAID: "THAT'S A FIVE YARD PENALTY FOR COACHING FROM THE SIDELINES." PREDICTABLY THE COACH BLEW UP AND YELLED, "THAT JUST SHOWS HOW BAD YOU ARE-----COACHING FROM THE SIDE LINES IS A TEN YARD PENALTY."

THE REFEREE SNAPPED BACK, "FOR YOUR KIND OF COACHING, IT'S FIVE YARDS."

P A U S E

THAT PLUS THE FACT THAT MY OFFICE IS IN A PART OF WASHINGTON KNOWN AS "FOGGY BOTTOM" MAY GIVE YOU SOME IDEA OF THE CLARITY OF MY OWN CRYSTAL BALL.

P A U S E

THE SHAPE OF OUR NEUTRAL ACTIVITY DEPENDS IN GOOD PART ON THE SHAPE OF THE ECONOMY. WE HAVE ALL NOTED THAT, WITH SOME EXCEPTIONS, THE ECONOMIC INDICATORS HAVE BEEN REGISTERING ON THE POSITIVE SIDE FOR A NUMBER OF MONTHS. EVEN THE SO-CALLED LAGGING INDICATORS HAVE SHOWN POSITIVE SIGNS OF LIFE.

THE ADMINISTRATION HAS BEEN EXPRESSING SOME CAREFUL BUT GROWING PREDICTIONS ABOUT GNP GROWTH.

IN FACT, THE PRESIDENT RECENTLY RAISED HIS PROJECTION FOR ECONOMIC GROWTH FROM 4.7 PER CENT TO 5.5 PER CENT THIS YEAR. WITH THE TROUGH OF THE RECESSION BOTTOMING OUT LAST DECEMBER AND WITH CONSUMER SPENDING DEPLETING ALREADY LOW INVENTORIES, WE CAN EXPECT INCREASED PRODUCTION ACTIVITY. THE RECOVERY MAY HAVE HAD A DELAYED START BUT WE CAN REMAIN OPTIMISTIC ABOUT THE STRENGTH OF THAT RECOVERY. ALTHOUGH THE UNEMPLOYMENT FIGURES REMAIN AT AN UNACCEPTABLE LEVEL AND THERE IS CONCERN ABOUT INTEREST RATES AND INTERNATIONAL TRADE, I THINK THE COUNTRY IS GETTING ENTHUSIASTIC ABOUT THE ECONOMIC OUTLOOK.

THAT ENTHUSIASM IS A BIT OF A MIXED BLESSING. WHILE WE MUST ALL BE ENCOURAGED BY THE POSITIVE OUTLOOK, AS NEUTRALS WE HAVE TO BE CONCERNED ABOUT UNBRIDLED AND UNREALISTIC EXPECTATIONS AT THE BARGAINING TABLE.

MOST PEOPLE ARE UNDER THE IMPRESSION THAT IF THE ECONOMY IS IMPROVING IN GENERAL, THEN IT SHOULD IMPROVE THEIR OWN PARTICULAR SITUATIONS-- AND THAT IMPROVEMENT SHOULD BE REALIZED NOW. BUT THE TRUTH IS THAT THE IMPROVEMENT BEING REPORTED IS AN AGGREGATE WHICH WILL NOT BE FELT IN EACH AND EVERY SITUATION FOR SOME TIME.

OUR MEDIATORS ARE REPORTING ON THE RISING EXPECTATIONS THEY ARE ENCOUNTERING AT THE TABLE. WITH THE GENERAL IMPROVEMENT IN THE ECONOMY, UNION BARGAINERS ARE GETTING INCREASING PRESSURES FROM THEIR MEMBERSHIPS REGARDING THEIR POSTURE AT THE TABLE. IF OUR PAST EXPERIENCE IS OF ANY VALUE, THE UNEQUAL GROWTH OF THE ECONOMY IN VARIOUS PARTS OF THE COUNTRY AND IN VARIOUS INDUSTRIES AND COMPANIES WILL CERTAINLY BE A DIFFICULT FACTOR TO CONTEND WITH IN BOTH PUBLIC AND PRIVATE SECTOR NEGOTIATIONS.

SOME OTHER CHARACTERISTICS
OF CONTEMPORARY BARGAINING

WHILE I'M AT IT, I WANT TO TOUCH ON SOME ASPECTS OF CURRENT BARGAINING WHICH WILL CONTINUE TO IMPACT ON US IN THE NEAR FUTURE.

AN OBVIOUS STARTING POINT IS CONCESSION BARGAINING. I'M A BIT TROUBLED BY THE TERM SINCE BARGAINING BY ITS NATURE IS CONCESSIONARY. WHAT WE ARE TALKING ABOUT AND CONTINUING TO EXPERIENCE IS "TAKE BACK" BARGAINING. AS ONE MEDIATOR DESCRIBED IT RECENTLY, THESE ARE OFTEN SITUATIONS IN WHICH MANAGEMENTS ARE TRYING TO GET BACK WHAT THEY NOW THINK SHOULD NEVER HAVE BEEN BARGAINED AWAY IN THE FIRST PLACE. I EXPECT THAT WE WILL CONTINUE TO SEE TAKE-BACK BARGAINING FOR QUITE A WHILE, ESPECIALLY IN THOSE AREAS LESS RESPONSIVE TO THE ECONOMIC RECOVERY.

BUT EVEN WITHIN THE RELATIVELY SHORT TIME WE HAVE BEEN EXPERIENCING TAKE-BACK BARGAINING, THERE HAS BEEN AN EVOLUTION OF SORTS. FIRST, IT NEVER WAS EASY BARGAINING. RATHER, IT HAS ALWAYS BEEN -- AND WILL CONTINUE TO BE -- DIFFICULT, HARD BALL BARGAINING. SECOND, WHILE THE MANAGERMENTS' NEGOTIATORS MAY GAIN THEIR DEMANDS IN THE AREA OF ECONOMICS, THE UNIONS ARE GAINING EXCHANGE CONCESSIONS IN SUCH AREAS AS JOB SECURITY AND MAINTENANCE OF BENEFITS. THIRD, MANAGERMENTS ARE GENERALLY TURNING AWAY FROM DEMANDS FOR CONCESSIONS IN THE ECONOMICS OF SETTLEMENTS IN FAVOR OF INCREASED FLEXIBILITY IN MANAGING THE WORKPLACE. THAT SHIFT IS OCCURRING BECAUSE THE GAINS FROM WAGE CONCESSIONS HAVE ONLY SHORT TERM IMPACT WHILE INCREASED MANAGEMENT CONTROL PROVIDES THE MEANS FOR LONG TERM MARKET GAINS.

FOURTH, IT IS OUR OBSERVATION THAT MANAGERMENTS WITH LONG TERM GOOD LABOR RELATIONS ARE ENCOUNTERING LESS RESISTANCE THAN THOSE WITH HISTORIES OF LABOR STRIFE. IN REVIEWING OUR MOST RECENT REPORTS, I NOTED THAT CURRENT NEGOTIATIONS CONTINUE TO CENTER ON THESE SAME ISSUES WHICH WE HAVE BEEN SEEING IN RECENT MONTHS, BUT I ALSO NOTED THAT WORK STOPPAGES WERE AGAIN APPROACHING LEVELS WE EXPERIENCED IN MORE NORMAL TIMES. BY COMPARISON, LAST YEAR'S WORK STOPPAGE NUMBERS WERE AT AN ALL TIME LOW. FOR THE IMMEDIATE FUTURE, I BELIEVE WE WILL BE LOOKING AT A CONTINUATION OF TAKE-BACK BARGAINING EFFORTS, BUT I THINK THE UNIONS WILL BE IN A MORE INVESTIGATIVE MOOD, WANTING CLEAR EVIDENCE OF THE NEED FOR THE MANAGEMENT DEMANDS.

WITH THAT MOOD ALREADY PRESENT, IT WILL BE MORE DIFFICULT FOR EITHER PUBLIC OR PRIVATE SECTOR MANAGERS TO JUMP ON THE "CONCESSION" BANDWAGON IN THE FUTURE WHEN THEY REALLY HAVE LESS THAN CLEARLY DEMONSTRABLE NEEDS.

ANOTHER CHARACTERISTIC OF RECENT COLLECTIVE BARGAINING WHICH HAS BEEN CHANGING AND WILL CONTINUE TO CHANGE, IN MY OPINION, IS THAT OF PATTERN BARGAINING. PATTERN BARGAINING, WHICH FIRST APPEARED IN MAJOR AGREEMENTS IN THE FIFTIES, HAS BEEN A CONTINUING INFLUENCE OVER THE PAST THIRTY YEARS. IT WAS CREATED AS A MEANS OF ADJUSTING CONTRACTS TO THE THEN REGULARLY IMPROVING ECONOMY. PATTERNS IN WAGE IMPROVEMENTS, COST-OF-LIVING ADJUSTMENTS AND BENEFITS AFFECTED THE AGREEMENT OF THE MAJOR NEGOTIATORS AND MANY SATELLITE CONTRACTS AS WELL.

THE DIFFICULTIES FOR PATTERN BARGAINING APPEARED IN THE LAST SEVERAL YEARS WHEN THE MAJOR INDUSTRIES USING IT FAILED TO ACHIEVE THEIR PRESUMED ECONOMIC GROWTH.

A GLANCE AT RECENT STATISTICS FOR WAGE SETTLEMENTS FOR THE FIRST YEAR OF RECENTLY NEGOTIATED CONTRACTS WILL TELL THE STORY. THE NEGOTIATORS HAVE CLEARLY DEPARTED FROM THEIR PATTERN FORMULAS IN RECOGNITION OF SOME OF THE ECONOMIC REALITIES OF THEIR INDUSTRIES AND COMPANIES. INSTEAD OF NEGOTIATIONS WHICH WILL FOLLOW PATTERNS SET ELSEWHERE, WE EXPECT TO HAVE MORE INDIVIDUAL NEGOTIATIONS WITH MORE VARIED TERMS OF SETTLEMENT. WITH NEGOTIATIONS MORE DE-CENTRALIZED IN MANY INSTANCES, I EXPECT THAT THE PARTIES WILL BE MORE FLEXIBLE IN BARGAINING AND THEREFORE ABLE TO DEVELOP A VARIETY OF NEW SOLUTIONS.

CERTAINLY, THE TYPE OF NEGOTIATIONS WE HAVE BEEN SEEING RECENTLY WILL BE MORE RESPONSIVE TO LOCAL ISSUES AND LOCAL SOLUTIONS.

THE ADVENT OF LABOR-MANAGEMENT COOPERATION

I WOULD BE REMISS IF I DID NOT TOUCH ON THE CURRENTLY INCREASING POPULARITY OF VARIOUS COOPERATIVE ARRANGEMENTS IN BOTH THE PRIVATE AND THE PUBLIC SECTOR. TEN YEARS AGO, LABOR-MANAGEMENT COOPERATION WAS SIGNIFICANT ONLY BECAUSE OF THE LACK OF ATTENTION PAID TO IT. SINCE THEN A MINOR REVOLUTION OCCURRED IN THE USE OF COOPERATIVE EFFORTS. I THINK THAT MOVEMENT WILL INCREASE AND EVENTUALLY EFFECT THE BARGAINING PICTURE FOR THE BETTER. THAT IS NOT TO SAY THAT COOPERATION WILL DIMINISH BARGAINING. THE PARTIES WILL CONTINUE TO NEGOTIATE AS ADVERSARIES OVER BARGAINABLE ISSUES.

BUT I DO BELIEVE THAT LABOR-MANAGEMENT COMMITTEES AT THE PLANT, INDUSTRY AND AREA-WIDE LEVELS, QUALITY OF WORK LIFE PROGRAMS AND QUALITY CIRCLES WILL INCREASE AT THE SAME TIME. THE PARTIES WHO ARE INTO THESE VARIOUS FORMS OF COOPERATION ARE FINDING THEM PRODUCTIVE IN DEALING WITH ISSUES OF COMMON CONCERN WHICH ARE OUTSIDE THE BARGAINING ARENA. I AM IMPRESSED THAT MANY UNION LEADERS FROM VARIOUS SECTORS ARE BEGINNING TO UNDERSTAND THE VALUE OF THESE COOPERATIVE EFFORTS. I EXPECT THAT, WHILE SOME UNIONS CONTINUE TO BE SUSPICIOUS OF COOPERATIVE APPROACH, OTHERS ARE RECOGNIZING THAT THEY ARE USEFUL TO THEM AS LABOR ORGANIZATIONS.

TO PARAPHRASE ONE UNION LEADER, "NOT ONLY DO THEY ALLOW US TO HAVE A VOICE IN AREAS CONCERNING US BUT TO WHICH WE HAVE HAD NO ACCESS, THAT COOPERATIVE ACTIVITY IS A HIGHLY VISIBLE DEMONSTRATION OF OUR CONTINUING EFFORTS TO REPRESENT AND SERVE OUR MEMBERSHIP." IT IS MY OWN OBSERVATION THAT WHILE BARGAINING AND COOPERATIVE EFFORTS ARE CLEARLY DISTINCT AND APART, THERE IS A GREAT DEAL OF SPILL-OVER FROM COOPERATION IN THE FORM OF INCREASED UNDERSTANDING AND BETTER INFORMATION EXCHANGE. CERTAINLY MORE IMPORTANT, THE ATMOSPHERE CREATED BY COOPERATIVE EFFORTS CANNOT HELP BUT IMPROVE THE TONE OF BARGAINING. AND GIVEN THE MORE LOCAL ORIENTATION OF BARGAINING I MENTIONED EARLIER, THE USE OF COOPERATIVE MECHANISMS BY THE PARTIES SHOULD SERVE TO INCREASE THE LEVELS OF LOCAL SATISFACTION THROUGH THE INDUSTRIAL RELATIONS PROCESS.

I HAVE NOTED THAT THE USE OF COOPERATIVE EFFORTS HAS APPEARED MORE AND MORE FREQUENTLY IN THE PUBLIC SECTOR. IN ONE CASE, FUNDS OBTAINED BY ONE PUBLIC SECTOR JURISDICTION FROM OUR FMCS LABOR-MANAGEMENT GRANTS PROGRAM HAVE HAD DRAMATIC EFFECTS IN THREE SPECIFIC AREAS. WE WILL BE HAPPY TO SHARE INFORMATION ON THESE CASES AS WELL AS ON OUR ROLE IN THE COOPERATIVE PROCESS WITH ANY OF YOU.

I MAKE THAT SUGGESTION BECAUSE I BELIEVE THAT THE CURRENT AND GROWING TREND IN THE USE OF LABOR-MANAGEMENT COOPERATION WILL CONTINUE INTO THE FUTURE. BY WAY OF EXAMPLE, THE MAYOR'S OFFICE IN NEW YORK CITY IS CURRENTLY LOOKING TO STRENGTHEN AND ADVANCE THEIR OWN COOPERATIVE EFFORTS WITH THE SUPPORT OF VIC GOTTBAUM AND HIS UNION. I EXPECT WE WILL SEE EVEN MORE OF THAT ELSEWHERE.

→ PAUSE

WHILE THE ECONOMY HAS HAD AN OBVIOUS IMPACT ON BARGAINING, THERE ARE SOME OTHER REASONS FOR THE CHANGES WE ARE AND WILL CONTINUE TO EXPERIENCE.

THERE ARE TRENDS IN THE LARGER SOCIAL ENVIRONMENT WHICH WILL AFFECT THE 'WHO' AND 'WHAT' AND 'HOW' OF BARGAINING IN THE NEAR FUTURE. WE SHOULD ALL BE AWARE OF THOSE LARGER TRENDS SINCE THEY WILL HAVE FAR-REACHING EFFECTS ON BARGAINING AND ON HOW WE CONDUCT OUR NEUTRAL ACTIVITIES.

FIRST, I WOULD LIKE TO MENTION CHANGES IN THE POPULATION AND WORK FORCE OF THE UNITED STATES. BY THE YEAR 2000, OUR U. S. POPULATION WILL BE MORE THAN 250 MILLION. THAT'S ALMOST A 400 PERCENT INCREASE SINCE THE BEGINNING OF THE CENTURY.

ADD TO THAT THE ADDITION OF IMMIGRANTS, BOTH LEGAL AND ILLEGAL, AND YOU HAVE A CHANGE ALREADY UPON US AND GROWING. THE LABOR FORCE IS GETTING OLDER WITH A MEDIAN AGE OF 35 BY THE END OF THE NEXT DECADE. BY THEN, THE SLOWEST POPULATION GROWTH WILL BE AMONG THE 18 - 24 YEAR OLDS AND THE OVER 65 CROWD WILL BE GROWING THREE TIMES AS FAST. WOMEN AND MINORITIES, WHO ARE RESPONSIBLE FOR THREE QUARTERS OF CURRENT WORK FORCE GROWTH, WILL CONTINUE TO GROW AT THAT RATE THROUGH THE NEXT DECADE.

IN THE AREA OF EDUCATION, THE GROWING POPULATION WILL HAVE MORE FORMAL EDUCATION THAN EVER BEFORE AND THE NUMBER OF COLLEGE GRADUATES WILL DOUBLE IN THE NEXT TEN YEARS. I AM SPEAKING NOW IN TERMS OF AMOUNT AND NOT QUALITY OF EDUCATION.

MANUFACTURING EMPLOYMENT WILL CONTINUE TO GROW BUT THAT INCREASE WILL BE MODEST AS COMPARED TO SERVICE SECTOR EMPLOYMENT WHICH WILL INCREASE BY HALF AGAIN WHAT IT IS TODAY.

WE HAVE BEEN HEARING ABOUT THE NEW TECHNOLOGY. THE MAIN AREAS OF GROWTH IN THIS AREA WILL BE IN COMMUNICATIONS, INFORMATION AND BIOLOGICAL APPLICATIONS. THAT SPELLS THE NEED FOR NEW SKILLS AND TRAINING. BUT TECHNOLOGY WILL BE IMPACTING OTHER MORE TRADITIONAL JOB AREAS AS WELL AND THAT MEANS RE-TRAINING, JOB DISPLACEMENT AND WORK RULES NEGOTIATIONS.

TWO OTHER AREAS WHICH WILL AFFECT BARGAINING ARE FOREIGN COMPETITION AND COMPARATIVE PRODUCTIVITY.

THE BAD NEWS REGARDING COMPETITIVENESS IS THAT THIS COUNTRY HAD A FAVORABLE BALANCE OF TRADE IN ONLY THREE YEARS DURING THE '70's AND OUR IMPORTS HAVE CONTINUED TO EXCEED EXPORTS ALL DURING THE EIGHTIES. WHILE EFFORTS ARE BEING MADE TO TURN THIS AROUND, IT REMAINS THAT FACTORS LIKE THE STRONG POSITION OF THE DOLLAR AND INTEREST RATES CONTINUE TO IMPEDE THOSE EFFORTS. IN THE MEANTIME, WHOLE U. S. INDUSTRIES ARE FEELING THE BITE OF FOREIGN COMPETITION. YOU ARE ALL AWARE THAT OUR RATE OF PRODUCTIVITY INCREASE IS LOW IN COMPARISON TO OUR COMPETITORS. AT THE SAME TIME, OUR ABSOLUTE RATE OF PRODUCTIVITY IS THE HIGHEST IN THE WORLD BUT OUR COMPETITORS ARE CLOSING THAT GAP TOO.

WHAT ARE THE IMPLICATIONS OF CHANGES LIKE THIS FOR US IN LABOR RELATIONS?

IN SUM, THESE LARGER CHANGES WILL MEAN THAT THE TYPE OF WORK AMERICANS WILL BE DOING WILL CHANGE; THE PEOPLE WHO WILL BE COMPETING FOR RELATIVELY FEWER JOBS WILL BE BETTER EDUCATED, WILL HAVE HIGH EXPECTATIONS AND WILL FIND JOBS HARDER TO FIND. THERE WILL BE INCREASED COMPETITION FOR JOBS, LESS OPPORTUNITY FOR PROMOTION AND MORE NEED FOR CONSTANT RE-TRAINING AND RE-STRUCTURING. THERE WILL BE MORE WOMEN AND MINORITIES IN THE WORK FORCE AVAILABLE TO EMPLOYERS. THAT MEANS THE WORKERS WILL HAVE DIFFERENT CONCERNS AND VALUES. THE ISSUES AT THE TABLE WILL CHANGE. THE AGING OF THE WORK POPULATION WILL BRING INTO PLAY MORE ISSUES OF RETIREMENT POLICY, PENSION FUNDING AND ADMINISTRATION, HEALTH BENEFITS, AGE DISCRIMINATION COSTS, CONTINUING EDUCATION AND SIMILAR MATTERS.

THE PROBLEMS OF FOREIGN COMPETITION AND INCREASING APPLICATIONS OF TECHNOLOGY WILL ALSO EFFECT THE PARTIES AND THEIR NEGOTIATING CONCERNS. CONTINUING CONCERN ABOUT PRODUCTIVITY, TRAINING AND EVEN RATES AND LEVELS OF COMPENSATION WILL REACH THE TABLE WITH INCREASING FREQUENCY. AT SOME POINT, IT IS VERY POSSIBLE THAT THESE AND THE OTHER CHANGES WE ARE BEGINNING TO EXPERIENCE MAY EVEN INFLUENCE THE STRUCTURE OF BARGAINING ITSELF.

BECAUSE OF THE EVENTUAL NEED --- IF NOT AN IMPENDING NEED --- TO REDEFINE THE WAYS THE PARTIES WILL BE BARGAINING UNDER THE INFLUENCE OF THESE AND OTHER CHANGES, WE WILL HAVE AN OPPORTUNITY TO HELP DESIGN THESE NEW RELATIONSHIPS. THAT IS AN EVENTUALITY WE MUST BE PREPARED FOR.

WHILE THE BURDEN OF DEALING WITH THESE AND OTHER CHANGES WILL FALL TO THE PARTIES, NEUTRAL AGENCIES LIKE OURS MUST BE CONCERNED ABOUT THEIR EVOLUTION OF NEW STRUCTURES AND NEW RELATIONSHIPS. IT WILL BE THOSE STRUCTURES WHICH WILL BE USED BY THE PARTIES TO INITIALLY RESOLVE DIFFERENCES, JUST AS THEY ARE USING THEIR PRESENT STRUCTURES. WHILE IT MAY NOT BE OUR RESPONSIBILITY TO BE PARTY TO THAT RESTRUCTURING ITSELF, WE MAY BE CALLED UPON FOR ADVICE AND COUNSEL. I SUSPECT THAT A GOOD PART OF THE EFFORT OF THE PARTIES IN DEALING WITH BOTH THEIR NEW ISSUES AND THEIR NEW STRUCTURES WILL BE EVOLUTIONARY. IT MAY EVEN COME UP DURING BARGAINING OR AS A PRODUCT OF A COOPERATIVE EFFORT. THE VALUE OF OUR SERVICES TO THEM WILL BE DEMONSTRATED AND TESTED AT THAT TIME.

P A U S E

TO ME, ALL OF THIS MEANS THAT THOSE OF US IN THE INDUSTRIAL RELATIONS BUSINESS HAVE A JOB CUT OUT FOR US.

AS REPRESENTATIVES OF LABOR AND MANAGEMENT, YOU AND YOUR FELLOW PRACTITIONERS ALL OVER THE COUNTRY, HAVE THE PRACTICAL EXPERIENCE AND ABILITY TO MEET THESE CHANGES WITH PRACTICAL AND REALISTIC SOLUTIONS.

THE NEXT FEW YEARS WILL AFFORD MANAGEMENT AND LABOR A SPECIAL OPPORTUNITY TO RESTRUCTURE YOUR RELATIONS TO MEET THE NEEDS OF BOTH SIDES. I FULLY EXPECT THAT THE RE-STRUCTURING WILL BE BOTH AT THE BARGAINING TABLE AND IN COOPERATIVE EFFORTS IN THE NON-BARGAINING AREAS.

THE SUCCESS OF THOSE EFFORTS WILL ASSUREDLY BE FELT BEYOND THE BARGAINING TABLE. THAT SUCCESS WILL CONTRIBUTE TO THE REVITALIZATION OF THE INDUSTRIAL BASE OF THE COUNTRY.

THAT SUCCESS WILL BE AN IMPORTANT INGREDIENT IN ENABLING THE UNITED STATES TO COMPETE EFFECTIVELY IN THE WORLD-WIDE MARKET PLACE.

THERE IS A CERTAIN URGENCY IN ALL OF THIS BECAUSE THE NEED IS UPON US NOW AND BECAUSE SO MUCH DEPENDS ON WHAT WE DO. IN TAKING UP THIS TASK, IN REEXAMINING WHAT YOU HAVE BEEN ABOUT IN THE PAST AND IN RESTRUCTURING YOUR RELATIONSHIPS TO MEET THESE NEEDS, I OFFER YOU THE ASSISTANCE OF THE FEDERAL MEDIATION AND CONCILIATION SERVICE. OUR MEDIATORS STAND READY, AS IN THE PAST, TO PROVIDE WHATEVER HELP YOU CAN REQUIRE.