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Fact Finding Report on the Future of Worker-Management Relations Released Today

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U.S. Department of Labor

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Fact Finding Report on the Future of Worker-Management Relations Released Today

Comments

Includes summary sheet and letter from the National Planning Association.

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Dunlop Commission

HOT TOPIC
"Commission Future
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Thurs., June 2, 1994

FACT FINDING REPORT ON THE FUTURE OF WORKER-MANAGEMENT RELATIONS RELEASED TODAY

U.S. Labor Secretary Robert B. Reich and U.S. Secretary of Commerce Ronald H. Brown were presented today with a fact-finding report by John T. Dunlop, former U.S. secretary of labor and chair of the Commission on the Future of Worker-Management Relations. The ten-member panel, also known as the Dunlop Commission, was established in May 1993 at President Clinton's request.

The Report of Findings released today constructs a comprehensive framework of facts to guide and support the discussion of American workplace relations, distilling the findings of a nearly 4000-page record. The commission held 11 national and six regional hearings, heard the testimony of 354 witnesses and reviewed scores of documents.

"The American workplace has undergone extraordinary transformations over the last six decades and will be evolving still more dramatically in the future," said Reich, "but our legal framework and many of our notions about worker-management relations were made for a 1930's world -- not the 21st century."

"New international competition, opportunities for new world markets, and the rapid changes in technology and demography are creating the need for new workplaces and a new workforce," Brown said.

The commission found that where employee participation is sustained over time and integrated with other policies and practices, it generally improves economic performance. However, such participatory workplaces are rare. Survey data suggest that between 40 and 50 million workers would like to participate in decisions on their job but lack the opportunity to do so.

Among the commission's other principal findings were that American society -- management, labor, and the general public -- supports the concept that workers have the right to join a union and to engage in collective bargaining if a majority of workers so desire. Representation elections as currently constituted are

-more-

a highly conflictual activity for workers, unions, and firms and many new collective bargaining relationships start off in an environment that is highly adversarial. Roughly one third of workplaces that vote to be represented by a union do not obtain a collective bargaining contract with their employer.

Federal laws governing the workplace have increased dramatically since the 1960s, with a corresponding expansion in the regulations and rules that guide their administration and enforcement, the commission also found. These statutes provide American workers with important rights and protections that are widely viewed as legitimate by both employers and employees.

But administration and enforcement of these workplace regulations are not always well funded, and compliance is not always achieved in some sectors. As the private institutions Americans have traditionally used to resolve workplace problems, collective bargaining and grievance arbitration, have declined in coverage, workplace litigation caseloads and costs rose faster than other areas of law. Employment cases in the federal courts increased more than 400 percent between 1971-91. Mediation, arbitration, more informal employee participation and alternative dispute resolution systems have much promise for dealing with issues and resolving disputes that are now regulated by law, but they are not currently used to their full potential.

The Dunlop Commission, which includes three former secretaries of labor and a former secretary of commerce, as well as representatives from academia, business and labor, was asked to investigate and report back on three primary issues: what changes might be needed to enhance workplace productivity through labor-management cooperation and employee participation; how the legal framework and practices of collective bargaining should be altered to enhance cooperative behavior, improve productivity and reduce conflict and delay; and third, what could be done to enable parties to resolve workplace problems themselves, rather than going to state and federal courts and government regulatory bodies.

"These three issues are interdependent," Dunlop said, emphasizing that employee participation, rights to exercise or refrain from representation and dispute resolution are a "seamless whole" for the future of worker-management relations.

The commission now enters the second phase of its work -- to receive comments on the Report of Findings and to review new data and some studies still in progress. In the next six months, the commission is scheduled to issue a final report with recommendations to secretaries Reich and Brown.

In addition to Chairman Dunlop, the Lamont University professor emeritus of Harvard University, the 10-member nonpartisan commission includes Paul Allaire, chairman and CEO, Xerox Corporation; Douglas A. Fraser, former president, United Auto Workers and professor of Labor Studies, Wayne State University; Richard B. Freeman, Herbert Ascherman professor of economics, Harvard University and program director for labor studies, National Bureau of Economic Research; Thomas A. Kochan, George M. Bunker professor of management and a Leaders for Manufacturing Professor, Massachusetts Institute of Technology; Juanita M. Kreps, former U.S. secretary of commerce and James B. Duke, professor of economics and vice president emeritus of Duke University; F. Ray Marshall, former U.S. secretary of labor and Audre and Bernard Rapoport Centennial Chair in Economics and Public Affairs, L.B.J. School of Public Affairs, University of Texas at Austin; Kathryn C. Turner, chairperson and CEO, Standard Technology, Inc.; William J. Usery, former U.S. secretary of labor and president, Bill Usery Associates, Inc; and Paula Voos, professor of economics and industrial relations, University of Wisconsin.

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COMMISSION ON THE FUTURE OF WORKER-MANAGEMENT RELATIONS

FACT FINDING REPORT - SUMMARY SHEET

What is the Commission on the Future of Worker-Management Relations?

The Commission on the Future of Worker-Management Relations, also known as the Dunlop Commission, was established in May 1993, when President Clinton asked Secretary of Labor Robert B. Reich and Secretary of Commerce Ronald H. Brown to appoint a commission to investigate the state of worker-management relations.

The ten-member panel was chaired by John T. Dunlop, Lamont University Professor Emeritus of Harvard University, who served as U.S. Secretary of Labor during the Ford Administration, and included former Secretaries of Labor and Commerce, in addition to balanced representation from academia, business, and labor.

What were the primary goals of the Dunlop Commission?

The Commission was asked to investigate and report back on three main questions:

1. What (if any) new methods or institutions should be encouraged or required to enhance workplace productivity through labor-management cooperation and employee participation?
2. What (if any) changes should be made in the present legal framework and practices of collective bargaining to enhance cooperative behavior, improve productivity, and reduce conflict and delay?
3. What (if anything) should be done to increase the extent to which workplace problems are directly resolved by the parties themselves, rather than through recourse to state and federal courts and government regulatory bodies?

What is the document being released today?

Today, the Commission is releasing a Report of Findings to Secretaries Reich and Brown, which summarizes the results of the Commission's 11 national and six regional hearings, at which a total of 354 witnesses testified. The regional hearings were held in six communities - Louisville, East Lansing, Boston, Atlanta, San Jose, and Houston.

The Report of Findings also reflects the Commission's analysis of extensive quantitative and qualitative evidence, some of which was presented in testimony or offered to it by interested parties and some of which is part of the published data and scholarly literature.

What were Commission's principal findings?

The Commission identified twenty-five critical factors in the American labor market, which provide the context for the Commission's findings (see Executive Summary).

In addition, the Commission found that:

Employee participation

- Where employee participation is sustained over time and integrated with other policies and practices, it generally improves economic performance.
- However, such participatory workplaces are rare. Between 40 and 50 million workers would like to participate in decisions on their job but lack the opportunities to do so.

Collective bargaining

- American society – management, labor, and the general public – supports the principle that workers have the right to join a union and to engage in collective bargaining if a majority of workers so desire.
- Union representation elections as currently constituted are a highly conflictual activity for workers, unions, and firms and many new collective bargaining relationships start off in an environment that is highly adversarial.
- Roughly one third of workplaces that vote to be represented by a union do not obtain a collective bargaining contract with their employer.

Growth of state and federal employment regulation and increase in litigation

- Federal laws governing the workplace have increased dramatically since the 1960s, with a corresponding expansion in the regulations and rules that guide their administration and enforcement.
- Administration and enforcement are not always well funded, and compliance is not always achieved in some sectors.
- Workplace litigation caseloads and costs rose faster than other areas of law.
- Employment cases in the federal courts increased by over 400 percent between 1971 and 1991.
- Neither mediation and arbitration, nor the newer, more informal employee participation and alternative dispute resolution systems are being utilized to their full potential for dealing with issues and resolving disputes that are now regulated

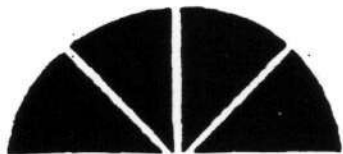
by law. These procedures would need to be modified if they are to fit different settings in enforcing public laws.

What is the Commission's next step?

Within the next six months, the Commission is scheduled to issue a **Final Report with recommendations** to Secretaries Reich and Brown, following hearings, conferences and opportunities for comment concerning the Report of Findings.

Who are the other members of the Commission?

In addition to Chairman Dunlop, the Lamont University Professor Emeritus of Harvard University, the 10-member nonpartisan Commission includes Paul Allaire, Chairman and CEO, Xerox Corporation; Douglas A. Fraser, former President, United Auto Workers and Professor of Labor Studies, Wayne State University; Richard B. Freeman, Herbert Ascherman Professor Economics, Harvard University and Program Director for Labor Studies, National Bureau of Economic Research; Thomas A. Kochan, George M. Bunker Professor of Management and a Leaders for Manufacturing Professor, Massachusetts Institute of Technology; Juanita M. Kreps, former U.S. Secretary of Commerce and James B. Duke Professor of Economics and Vice President Emeritus of Duke University; F. Ray Marshall, former U.S. Secretary of Labor and Audre and Bernard Rapoport Centennial Chair in Economics and Public Affairs, L.B.J. School of Public Affairs, University of Texas at Austin; Kathryn C. Turner, Chairperson and CEO, Standard Technology, Inc.; William J. Usery, former U.S. Secretary of Labor and President, Bill Usery Associates, Inc; and Paula Voos, Professor of Economics and Industrial Relations, University of Wisconsin.



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May 31, 1994

Mr. John Dunlop
Chairman
Commission on the Future of
Worker-Management Relations
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear John:

The Collective Bargaining Forum commends the Commission on the Future of Worker Management Relations for establishing a fact base as a first step in its work.

We believe the Commission has now set the stage for a positive discussion of strategies to improve long term labor-management relationships in the United States.

We agree that the focus of your efforts as reflected in your mission statement address the critical issues faced by the economy and the workforce. Moreover, we are encouraged by the emphasis you are placing on dealing with the entirety of the employment relationship.

We share your view that interested parties should now begin to address the issues that are suggested by the report in an objective and constructive fashion. We agree with your goal of developing a national consensus on issues which in the past have been debated in a contentious fashion.

The Collective Bargaining Forum pledges to examine your initial report with a view of encouraging a positive process. We also look forward to commenting on your final effort once it has been completed.

Best regards,
Paul O'Neill

Paul O' Neill
Chairman and Chief Executive Officer
ALCOA

Morton Bahr

Morton Bahr
President
Communications Workers of
America

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FOR RELEASE JUNE 2, 1994

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COLLECTIVE BARGAINING FORUM STATEMENT ON THE REPORT OF FINDINGS ISSUED BY THE COMMISSION ON THE FUTURE OF WORKER-MANAGEMENT RELATIONS

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The Collective Bargaining Forum pledges to examine your initial report with a view of encouraging a positive process. We also look forward to commenting on your final effort once it has been completed.

The Collective Bargaining Forum is composed of senior officers of major corporations and unions. It is dedicated to improving American competitiveness and advancing worker interests through improved labor-management understanding and cooperation. Moderated by Malcolm Lovell, President and Chief Executive Officer of the National Planning Association, the Forum's current members are: Paul Allaire, Chairman and Chief Executive Officer, Xerox Corporation; Morton Bahr, President, Communications Workers of America; Curtis H. Barnette, Chairman and Chief Executive Officer, Bethlehem Steel Corporation; George Becker, International President, United Steelworkers of America; Owen Bieber, President, United Automobile Workers of America; Elmer Chatak, President, Industrial Union Department, AFL-CIO; Kenneth Coss, President, URW International; Allan Gilmour, Vice Chairman, Ford Motor Company; Wayne Glenn, President, United Paperworkers International Union; Jerry Jasinowski, President, National Association of Manufacturers; John Joyce, President, International Union of Bricklayers and Allied Craftsmen; David Lawrence, Chairman and Chief Executive Officer, Kaiser Foundation Health Care Inc.; Paul O'Neill, Chairman and Chief Executive Officer, ALCOA; Richard C. Notebaert, Chairman and Chief Executive Officer, Ameritech; Howard D. Samuel, Former President, Industrial Union Department, AFL-CIO; Jack Sheinkman, President, Amalgamated Clothing and Textile Workers Union; John F. Smith, Jr., Chief Executive Officer and President, General Motors Corporation; John R. Stafford, Chairman of the Board, President and Chief Executive Officer, American Home Products Corporation; John Sweeney, President, Service Employees International Union; and Lynn Williams, Former President, United Steelworkers of America.