

Federal Mediation and Conciliation Service

Five-Year Strategic Plan

2011-2016

**Federal Mediation and Conciliation Service
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I Introduction

Congress established the Federal Mediation and Conciliation Service (FMCS) in 1947 through the Labor Management Relations Act (Taft-Hartley) amendments to the National Labor Relations Act (NLRA) as an independent agency whose mission is “to assist parties to labor disputes in industries affecting commerce to settle such disputes through conciliation and mediation.”¹ Subsequent acts of Congress and Presidential orders have expanded FMCS’s role to providing employment-based mediation services to the private sector and alternative dispute resolution (ADR) programs to government agencies, as well as promoting and establishing labor-management programs in the private sector.

Over the past 60 years, the FMCS has produced an impressive track record of success at preventing or minimizing interruptions to the free flow of commerce through a variety of programs and services designed to improve labor-management relationships and organizational effectiveness. As the needs of the parties and workplace relationships have evolved over time, so, too, has the nature of the FMCS’s work. Indeed, the recent economic downturn—during which companies, workers, and whole communities have suffered—has only served to highlight the critical role FMCS plays in helping parties solve what might otherwise be irreconcilable conflicts. By proactively engaging the parties at the earliest possible moment, the FMCS helps them resolve their differences cooperatively and with innovative joint solutions. The FMCS recognizes, as did Congress more than 60 years ago, that constructive labor-management relationships and collective bargaining provide the parties with the most effective tools for achieving productivity, innovation and competitiveness—the central ingredients for a growing economy.

The FMCS anticipates that the impact of the so-called “Great Recession” will continue to dominate collective bargaining for the next few years. Similarly, escalating health care costs and the contractual and plan changes that will be necessitated by the

¹ 29 USC § 173. By statute, FMCS’s jurisdiction excludes the rail and airline industries, which are covered by the National Mediation Board under the Railway Labor Act.

Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) will challenge collective bargaining negotiations. Pension benefits and retirement security will present challenges of similar magnitude, particularly during a continuing economic downturn.

The need for job creation and sustainable energy initiatives also will provide companies and unions unique opportunities for creative “green job” solutions, providing they have the tools to work cooperatively. Program areas such as the FMCS labor-management grants will help provide management and labor with the resources needed to rethink product lines, create the jobs of the future, and rebuild their relationships. Finally, and in recognition that cooperative labor-management relations are also the key to the productivity and effectiveness in the Federal Government as well as the private sector, Presidential Executive Order 13522 will create a major new training and facilitation role for the FMCS.

This five-year strategic plan elaborates on the external factors impacting the FMCS’s mission, and the means by which the FMCS will fulfill these and other elements of its important mission in the coming years.

II External Evaluation

As noted above, many different external factors influence the magnitude of the FMCS's workload, the type of work that it does, and its ability to perform its work successfully. These may be long-standing trends or individual events. In either case, the FMCS monitors these developments and adapts the delivery of customer services to fulfill its mission.

A. Declining Number of Work Stoppages

Work stoppages were relatively common throughout the FMCS's first four decades, with 3,000 or more stoppages occurring each year. In the early 1980's, the number of stoppages began to decline, and now total in the hundreds each year. While the FMCS can certainly take some credit for this decline, the reasons for it are myriad, and the relative contribution of individual factors a matter of debate among economists and labor relations scholars.

As a practical matter, the FMCS continues to play a critical role in preventing or minimizing the impact of labor-management disputes, many involving large employers and significant sectors of the economy. In mid-2010, for example, FMCS mediators played a major role in preventing an open-ended walk-out by more than 12,000 nurses from 14 hospitals in the Minneapolis/St. Paul metropolitan area. This dispute was highly contentious and the issues complex and technical. After a one-day strike, the parties became even more deeply entrenched. However, a settlement was reached with round-the-clock assistance by several of the FMCS's skilled mediators. Perhaps more importantly, after working with FMCS mediators, the parties committed publicly to reinstate and reenergize collaborative committees to address the key issue of nurse to patient staffing ratios.

Learning to work collaboratively is an essential element of the FMCS's preventive mediation strategy, involving increased emphasis on communications, relationship building and alternative bargaining methods as important elements in establishing and implementing productive labor-management relationships. At the same time, FMCS never becomes complacent regarding the likelihood of work stoppages and their disruptive impact on communities and commerce. Continued economic uncertainty brings with it conflicting claims by workers for job security and employer demands for flexibility in the size and composition of their workforce. In addition, pressures on existing pension systems and significant changes in the U.S. health care system can be expected to sow the seeds of renewed conflict, the consequences of which may not be isolated to the individual enterprise or community. Experience has shown that when an FMCS mediator works with the parties prior to contract expiration, work stoppages are often avoided, but even those that cannot be, are nearly 50 percent shorter in duration.

B. Union Membership Trends

As the industrial and manufacturing sectors of the U.S. economy have declined, so too has union membership in many older, industrial unions. At the same time, however, other unions are aggressively organizing new members in health care, building

services, technology, and other sectors of the “new economy.” These changes present both challenges and opportunities for the FMCS.

Newly unionized parties, especially when small businesses are involved, may have little experience negotiating collective bargaining contracts or working cooperatively to resolve workplace disputes. The atmosphere at a workplace after a contentious union election makes the development of the relationship difficult, if not impossible, which is hardly surprising given the intensity of many organizing campaigns. Promises that were made by one or both sides may prove impossible to keep. Unfair labor practices may have occurred. Motives and loyalties are questioned.

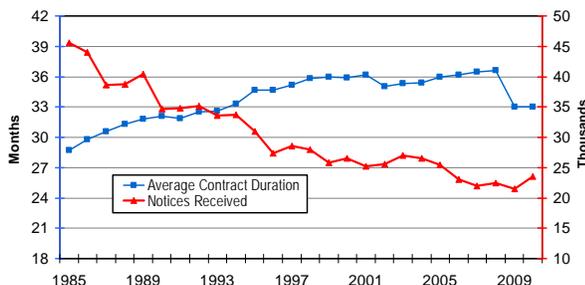
For this reason, the FMCS offers mediator assistance in first contract negotiations to help the parties build a strong and positive relationship. Relationship development training, communications strategies, committee effectiveness training, and bargaining basics, thus, remain an important and necessary part of the FMCS package of services.

C. Collective Bargaining Trends

Over the past thirty years there has been a general trend towards longer duration contracts. This shift is at least partially responsible for a decrease in the overall number of contracts being negotiated in any single year. However, it appears that this trend may have stalled during the most recent recession. The FMCS estimates that the average duration of contracts renegotiated in FY 2009 fell to 33 months, the first significant decline in contract duration in nearly a decade, and held at this level through FY 2010. This trend toward shorter agreements, if sustained, will increase the number of contracts negotiated in the future.

Collective Bargaining Trends

Bargaining Notices Received and Contract Durations, 1985-2010



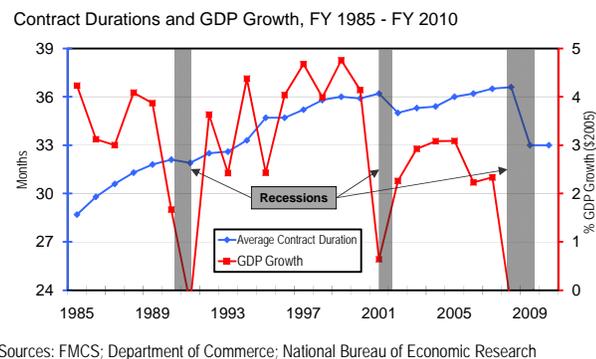
Sources: FMCS Case Data

While shorter contracts may allow management and labor to better react to economic opportunities and policy changes during the recessionary period, there is a likelihood that claims for “catch up” or “snap backs” to offset prior concessionary agreements will dominate the next round of bargaining. The FMCS has responded to this challenge by proactively encouraging early negotiations over difficult issues, such as health care, introducing interest-based bargaining and other collaborative approaches, and implementing relationship development programs that teach labor and management how to communicate with each other in ways that better manage the likely conflict associated with fundamental economic and workplace challenges.

D. Effects of Business Cycles

The previously described external factors—the decline in work stoppages, union density, and the length of collective bargaining agreements—may be caused by a variety of factors, but perhaps none more important than the economy and the dynamics of a particular business cycle. Expectations about the duration and timing of changes in economic activity have an overarching impact on collective bargaining negotiations. During an economic downturn, management may seek wage and benefit concessions, while labor may try to hold the line or at least achieve job security in lieu of wage and benefit increases. During economic expansion, management may seek greater flexibility for new business development and investment, while labor seeks to recapture lost earnings and lock in contractual benefits at new facilities. As expected, the current recession and slow recovery have dramatically complicated the bargaining process.

Effect of Business Cycle



The FMCS monitors additional factors related to demographic changes, regional economic situations and conditions within specific industries and occupations which may contribute to broader labor force trends during business cycles.

E. Natural and Human-Caused Economic Disruptions

Factors beyond the control of the parties must also be taken into account. Major natural disasters such as fires, hurricanes, floods, and earthquakes and events such as terrorist attacks or large industrial accidents, can significantly disrupt local or national economic activity. At the onset, these events may disrupt or damage transportation networks and industrial infrastructure and physically displace the labor force. In the medium term, there may be other local effects such as labor or housing shortages or changes in local wages or living costs. If severe enough, the consequences of economic disruptions must invariably be handled at the bargaining table. The aftermath of hurricane Katrina and the September 11, 2001, terrorist attacks are two more recent and severe examples of this type of disruption.² The economic disruption and long term impact experienced in the Gulf Coast as a result of the British Petroleum oil disaster are unknown at this time, but also have the potential to disrupt the economy for years to come.

² Nossiter, Adam, "Strike at Big Shipyard Is Yet Another Effect of Katrina", New York Times, March 13, 2007, A13

F. Fewer and Less Experienced Labor Professionals

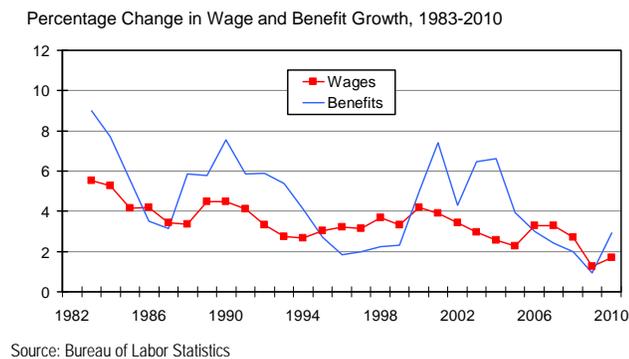
As the proportion of the unionized workforce in some industries has declined, and other sectors of the economy are being unionized for the first time, the FMCS has seen a decline in the experience and skills of the labor relations professionals responsible for negotiating and administering collective bargaining agreements. Many companies have eliminated their labor relations departments, relying instead on human relations departments, which often lack any collective bargaining experience. Similarly, unions have fewer resources for training newly-elected representatives in the important skills needed for contract negotiations and administration. The lack of a dedicated liaison between management and labor and turnover among union representatives complicates the work of FMCS mediators, thus requiring mediators to spend more time educating the parties before the actual contract negotiations begin. Perhaps more ominous is that these new practitioners may be unfamiliar with the proven benefits of mediation, and fail to even request assistance at an appropriate time.

G. Employment and Retirement Benefits

No single issue has contributed more to labor relations conflict and work stoppages in the past decade than health care. No single issue stands to engender future conflict at the collective bargaining table in the next decade than health care benefits and their associated costs. As a result, FMCS mediators must be trained and educated in all aspects of this highly technical and nuanced subject to ensure their maximum effectiveness. The FMCS anticipates similarly intense conflict and the need for expertise in the area of pensions and other forms of retirement security.

This is because apart from wages, employee benefits, such as leave, paid holidays, pensions, and health care, account for approximately 30 percent of total employment costs in the U.S. As health care and pension costs continue to rise, employers have sought to control their total employment expenses by limiting wage increases and/or asking employees to shoulder more of their health care and retirement costs.

Compensation Trends



Demands for wage and benefit concessions during contract negotiations in companies with high legacy pension and retiree health costs have become the norm, and the conflict surrounding such demands, deep and wrenching. Company pension plan conversions from defined benefit to defined contribution are often controversial and difficult to implement, as are the creation of union-managed voluntary employees'

beneficiary associations (VEBAs). Legislative and regulatory changes, such as the Pension Protection Act of 2006 and the Affordable Care Act have also complicated negotiations by changing longstanding “rules of the game.” The complexity, intensity, and duration of negotiations over these issues makes it more important than ever for the FMCS to maintain a full cadre of highly skilled professional mediators, and to update their skills and training on a regular basis.

III Agency Evaluation

Amidst the many complex and unpredictable external factors affecting its work, some of which were described above, the FMCS remains committed to fulfilling its core mission. The FMCS continues, every day, to assist parties to collective bargaining agreements in the successful negotiation of new agreements and through the peaceful resolution of workplace disputes that arise during the life of the contract. Providing excellent service to collective bargaining partners means that mediators must maintain expertise in a variety of economic and industry-specific issues and be effective communicators, facilitators, and trainers. Managerial and support staff must function efficiently and in direct support of mediators' needs.

The need for a high level of professionalism and expertise, as well as a reputation for delivering valuable services, is uniquely important to the FMCS. Unlike an enforcement or adjudicative agency, the FMCS generally has no enforcement authority to require private parties to participate in mediation. Consequently, the FMCS relies almost exclusively upon its excellent reputation to create opportunities for its mediators to improve labor-management relations and thus fulfill its statutory role.

Mediation is an intensive process. On average, mediators are actively involved in 30 collective bargaining negotiations each year and participate in another 57 individual mediation, educational, or outreach cases. As part of their job, mediators communicate with business and labor leaders on a daily basis and monitor the progress of upcoming and ongoing contract negotiations—even those in which they are not actually involved “at the table.” In all, FMCS mediators were assigned more than 23,000 new cases, drove more than 2 million miles and conducted nearly 26,500 meetings with one or both parties to a collective bargaining relationship in FY 2010.

The following section highlights the internal factors that influence the ability of FMCS employees to fulfill the agency mission.

A. Recruiting and Employee Satisfaction

Job candidate recruiting represents a particular challenge for small agencies, and the FMCS is no exception. Incoming support staff hires not only must be capable of handling diverse job duties, but small department sizes mean that there is often little or no transition period available and no time for extensive mentoring or job coaching. FMCS mediators and managers must demonstrate significant and relevant previous work experience before they are hired, and satisfy a comprehensive set of qualifications, which means that most are hired mid-career after successfully holding positions as labor or management relations specialists.

Relying upon a workforce composed of more experienced workers means that FMCS employees tend to be older than the average federal sector worker. The average age for all FMCS employees is 55.9 years and 57.1 years for mediators, compared to a national average age of approximately 46 years for federal employees. One challenge that arises from this situation is the ability to retain skilled employees and to pass knowledge from one generation to the next.

Fortunately, the FMCS has not experienced difficulty recruiting and maintaining a skilled workforce in large part because of its excellent working environment and reputation. This positive atmosphere is reflected in the results of the Federal Human Capital Survey. The FMCS has consistently ranked as among the top five best places to work among small agencies in federal government. In the year ahead, the FMCS will continue to evaluate its performance in the Federal Human Capital survey and target continued improvement in all areas.

Another factor affecting the FMCS's ability to manage its workforce is its decentralized structure. Over 77 percent of the FMCS's workforce is dispersed among 68 field stations across the United States, with the majority of these field offices staffed by one to three people. This structure challenges the ability of the FMCS to develop and implement programs to accommodate the interests of national office staff and small field stations. Nevertheless, through regional training conferences, on-line seminars, and other forms of information sharing and skills development, the FMCS stays engaged with its far-flung workforce.

B. Employee Development and Training

Employee development and training is essential to maintaining a skilled and highly motivated workforce. Although mediators bring many years of experience negotiating labor contracts and settling workplace disputes as union or management representatives, labor lawyers, or neutral arbitrators or mediators, the ever changing economic, industry, and regulatory environment requires them to constantly upgrade their skills and knowledge.

Mediators keep current in their skills through formal training provided by FMCS or outside organizations and participation in conferences. In addition to the intensive on-the-job training, mediators receive standard, classroom training covering a wide range of mediator skills. Likewise, support staff is provided with ample opportunities to update their job skills and to add new ones with the assistance of the FMCS education and training department.

Over the next two years, the education and training department will focus on developing improved job skills by seeking feedback from mediators about their specific training needs, and broadening existing knowledge and abilities in the areas of training, group facilitation, alternative dispute resolution, and management development.

C. Value of Services Provided

While measuring organizational performance is challenging for an organization whose primary mission is to *prevent* an event from occurring, the FMCS has estimated a \$1.2 billion benefit to the national economy in prevented or shortened workplace disruptions, versus an annual budget of approximately \$48 million. Thus, the FMCS maintains an extremely favorable rate of return for the services it provides.

Additionally, the FMCS strives to continually improve its internal efficiency. For example, a thorough review of the FMCS's field structure during the summer of 2007 found that the current structure was serving the FMCS and its customers well. The

FMCS did not stop there, however. Routine, localized follow-up reviews were conducted, which resulted in the strategic filling of vacancies and minor territorial boundary adjustments to better balance mediator workloads. Among the many factors considered in these reviews are the FMCS's ability to fill anticipated vacant positions, the workload balance among mediators and district, and bargaining activity patterns in various parts of the country.

The FMCS also strives to create efficiencies in its support operations. A recently completed reporting system reduced the amount of time spent by information technology staff by at least 20 hours a month and dramatically improved the timeliness and quality of reports sent to managers. Managers now receive reports within hours of the end of each reporting period instead of up to 15 days. Other departments, such as human resources, are continuing to move to electronic record systems, thus reducing printing, processing, and storage costs. In the upcoming years the FMCS will continue to encourage the use of its on-line notice of bargaining and mediation referral systems and increase its use of geographic information systems (GIS) based analysis.

IV Core Program Areas and Services

Building and maintaining constructive labor-management relationships requires much more than mediation during contract negotiations. Limiting assistance to the time period when a contract is expiring, given the increased complexities of the issues being negotiated, can actually increase the likelihood of conflict and reduce the opportunities available to labor and management to meaningfully resolve issues. The FMCS's mediators must be skilled facilitators, instructors, and labor-management relationship experts to the private and government sectors of the economy. They must be proactive in offering their skills and services to the parties. The FMCS also maintains and provides rosters of arbitrators (see IV D) and connects mediators to international and foreign labor and management organizations. The FMCS thus provides a broad scope of linked core program areas and services to the private and government sectors of the economy.

A. Collective Bargaining Mediation: Initial and Successor Contract Negotiations

Through collective bargaining mediation, the FMCS helps avert or minimize the cost of work stoppages to the U.S. economy. The FMCS's core work is to mediate collective bargaining negotiations for initial contracts—which take place between an employer and a newly certified or recognized union representing its employees—and for negotiations for successor collective bargaining agreements. The FMCS provides mediation services to the private sector and also to the public sector, including federal agencies and state and local governments.

In FY 2010, FMCS mediators actively monitored over 14,000 collective bargaining negotiations and directly involved “at the table” in more than 4,900. The negotiations in which FMCS mediators were directly involved impacted every major industry throughout the United States.

B. Relationship Development and Training

Preventing conflict that may arise during the term of a collective bargaining agreement is another important goal of the FMCS. The FMCS's relationship-building training programs are designed to serve a preventive purpose and to improve labor-management relationships by helping labor and management develop collaborative, problem-solving approaches. Effective use of these programs better enables the parties to jointly respond to rapidly changing business and economic conditions. These training programs not only improve the quality of the parties' relationships, but are designed to provide processes and structures conducive to joint discussion and resolution of issues. Adoption of these processes helps ensure successful and highly productive workplaces.

The FMCS will utilize its approach to joint labor management processes on two significant policy initiatives of national importance. The passage of the Affordable Care Act will dramatically impact the collective bargaining process as employers and unions seek to integrate the required changes into the thousands of collective agreements. As the debate over health care demonstrated, this is a volatile and emotional issue for nearly everyone impacted. The FMCS recognizes and, indeed, experience has shown, that waiting for the expiration of the contract to address the multitude of difficult subjects surrounding this issue is a recipe for economically disruptive conflict. Through its

Relationship Development and Training (RDT) services, including a series of regional health care bargaining “best practices” symposia, the FMCS is prepared to offer the parties structured joint problem solving approaches that will enable them to manage and resolve these issues well in advance of contract expiration. These joint training programs will provide a foundation for the parties to implement the changes necessary while minimizing the potential for economically disruptive work stoppages.

On another front, in December 2009, the President issued Executive Order 13522. The stated purpose of this Executive Order is to “promote satisfactory labor relations and improve the productivity and effectiveness of the Federal Government.” To that end, all federal agencies are required to establish and to implement “labor-management forums [that] allow managers and employees to collaborate in continuing to deliver the highest quality services to the American people.”

This Executive Order signals a sea-change in the manner in which federal agencies will conduct their labor relations and creates a key role for the FMCS. Specifically, and in response to a request from the Director of the Office of Personnel Management, who co-chairs the newly-established National Council on Federal Labor-Management Relations, FMCS mediators are deeply involved in the all-important task of training the parties to federal agency forums on how to establish and implement them. FMCS mediators have been and will be involved on an ongoing and comprehensive basis with forum development, facilitation, and permissive bargaining pilot programs.

In addition to providing training programs, FMCS mediators and managers also participate in outreach activities designed to raise public awareness of collective bargaining issues and mediation techniques by lecturing at universities, seminars and conferences, and meeting with local leaders in the collective bargaining community. Outreach activities will provide a valuable service to the collective bargaining community as they begin to address the changes required by the passage of the Affordable Care Act, Green Jobs initiatives, and the Pension Protection Act.

C. Grievance Mediation

Grievance mediation involves the use of a neutral party to mediate disputes that may arise over the terms and conditions of a collective bargaining agreement. FMCS mediators provide this service to the private and public sectors with the salutary goal of preventing unresolved contract interpretation issues from spilling over and bogging down future contract negotiations. The volatile economic climate, highly competitive business environment, and the rapidity with which employers and unions must respond to changing conditions all increase the importance of resolving contentious issues arising mid-contract term. Additionally these unresolved matters, if left to fester, invariably create a climate of conflict in the collective bargaining relationship and increase the potential for work stoppages during bargaining over contract renewal.

In FY 2010, the FMCS mediated 2,084 grievance mediation cases and helped the parties reach agreement in over 1,530 of these. Apart from that direct benefit to the parties, experience has shown that once parties utilize this type of mediation assistance, they are more likely to call upon FMCS mediation services during their negotiations at contract renewal time.

D. Arbitration Services

National labor policy favors arbitration for settling contractual disputes. FMCS's Office of Arbitration Services maintains a roster of approximately 1,400 independent arbitrators who are qualified to hear and decide disputes over the interpretation or application of collective bargaining agreements. Upon request from the parties, the FMCS furnishes a list of names from which they may choose an arbitrator to hear their case and render a decision.

During FY 2010, the Office of Arbitration Services processed nearly 16,490 requests for arbitration panels nationwide. Arbitrators on the FMCS roster heard and decided more than 2,100 labor arbitration cases.

E. Employment and Regulatory Mediation

Outside the collective bargaining arena, the FMCS provides employment mediation services to the federal sector and to state and local governments on a cost-reimbursable basis. The Administrative Dispute Resolution Act of 1990, the Negotiated Rulemaking Act of 1990, and the Administrative Dispute Resolution Act of 1996 expanded FMCS's role as a provider of these services. The legislative intent behind these acts was to expand the use of alternative dispute resolution throughout the Federal Government, reduce litigation costs, and promote better government decision-making. A recent development has been the increased emphasis on the utilization of regulatory negotiations to enhance the effectiveness and efficiency of promulgating new agency rules. This requires experienced mediators and facilitators, who are specially trained and skilled at managing complex multi-party negotiations involving multiple stakeholders. The FMCS's workforce is uniquely positioned to meet the specific demands of the regulatory negotiations environment, and indeed, requests for such services have increased.

The FMCS also provides employment mediation to the private sector to resolve workplace disputes falling outside of the traditional collective bargaining context, i.e., equal employment opportunity disputes. In FY 2010, FMCS mediated 1,392 employment cases.

F. FMCS Institute

The FMCS Institute for Conflict Management provides training and education to labor and management practitioners from multiple organizations in an off-site classroom format. The Institute offers training in practical conflict resolution skills, collective bargaining, arbitrator and arbitration skills-building, facilitation process skills, multi-party facilitation, cultural diversity, and equal employment opportunity mediation skills. The Institute runs as a reimbursable program and is funded by fees received from training participants.

G. Labor-Management Committee Grants

The 1978 Labor-Management Cooperation Act authorizes and directs the FMCS to encourage and support joint labor-management committees "established for the purpose of improving labor management relationships, job security and organizational

effectiveness, enhancing economic development or involving workers in decisions affecting their jobs including improving communication with respect to subjects of mutual interest and concern." Congress funds this initiative in the FMCS's annual appropriations, and grants are distributed to encourage labor-management committees to develop innovative joint approaches to workplace problems.

In FY 2010, the FMCS awarded 10 new competitive grants at a cost of \$750,000. These grants supported labor-management committees tackling a wide variety of important issues related to health care, job safety, work-life balance, and the flexibility needed to pursue new business opportunities, such as green jobs.

H. International Training and Exchange

Beyond the nation's borders, the FMCS plays an important role in promoting collective bargaining and conflict resolution around the world. FMCS's international work is a small, but integral, part of its services. Emerging market economies often struggle to compete effectively in a globally integrated marketplace. Part of their struggle includes the implementation of effective labor relations systems. Other nations and foreign organizations have sought assistance in designing systems that resolve and prevent industrial conflict where a formal system has not been developed to manage it. International training programs are also a knowledge-sharing experience: FMCS mediators gain familiarity with complex issues affecting the global economy and, as a result, are more effective in resolving labor-management disputes with international implications.

FMCS's international efforts also help to level the economic playing field for U.S. companies and workers by strengthening the rule of law and workers' rights in developing countries. The program helps create the stable and productive work forces that are needed to attract foreign investment and improve living conditions as well as supporting U.S. companies and workers in the global market by advocating core labor standards for all nations. Equally important, the FMCS helps establish the labor relations institutions that are essential to the smooth functioning of free market economies. In addition to industrial relations, FMCS mediators assist with rule of law initiatives, thereby helping to foster economic growth and investment. These initiatives include mediation training and working with NGOs and other civil society organizations to develop mediation and other FMCS ADR programs. FMCS's International Program operations are reimbursed and are funded in part by a number of foreign and U.S. agencies, including the U.S. Department of Labor, the U.S. Department of State, the U.S. Agency for International Development, and the International Labor Organization.

V Vision, Values, and Mission Statements

A. Vision Statement

The FMCS commits to a strong and viable collective bargaining system as a foundation for society's well-being and economic growth, and believes in the benefit to the public of effective conflict resolution processes.

B. Values Statement

People—People are the key to FMCS's effectiveness and ability to excel. We strive for an atmosphere of mutual trust and inclusion with respect for the dignity and uniqueness of all individuals. We promote continuous growth and development and encourage individual responsibility and teamwork for excellence and leadership.

Service—We are dedicated to meeting the needs of labor and management through continuous improvement. We are committed to anticipating and responding to change. Commitment to quality education and training is vital to our mission. Leadership through initiative, creativity and innovation is essential. Neutrality, confidentiality, and acceptability are the foundations of our work.

Communication—Effective communication, in all forms, is a necessary quality of a dynamic, changing organization. We are dedicated to clear, complete, timely and honest communication. While we respect appropriate confidentiality, we value open communication that begins with listening and encourages participation by all.

C. Mission Statement

FMCS commits to:

- Promoting the development of sound and stable labor-management relationships;
- Preventing or minimizing work stoppages by assisting labor and management to settle their disputes through mediation;
- Advocating collective bargaining, mediation, and voluntary arbitration as the preferred process for settling disputes between employer and representatives of employees;
- Developing the art, science and practice of conflict resolution; and,
- Fostering the establishment and maintenance of constructive joint processes to improve labor-management relationships, employment security and organizational effectiveness.

Strategic Goal #1: Mediation

Minimize the number and duration of work stoppages that may occur during collective bargaining negotiations.

Objective:

- Use of FMCS collective bargaining mediation by labor and management leaders.

Action:

- Early intervention activities, particularly in initial contracts, in negotiations where health care is identified as a significant issue, the health care industry, and large and high-impact bargaining units.

Strategies:

- Encourage labor and management leaders to employ mediation in their contract negotiations.
- Pursue FMCS joint problem solving initiatives during the term of the agreement.

Expected Outputs:

- Increased mediator case activity rates.
 - Increased proportion of cases with meetings held prior to contract expiration date.
-

Discussion:

Collective bargaining mediation represents the core of the FMCS's mission and its most publicly visible work. In 2005, an independent study conducted for the FMCS found that mediation prior to a contract's expiration date significantly reduces the duration of any work stoppage that occurs. Previously, three separate studies of matched bargaining pairs found that FMCS mediation was also an important factor in preventing work stoppages from occurring in the first place.

As a result of these studies, the FMCS believes that early and ongoing contact with the parties to a labor contract negotiation is imperative in reducing the number and duration of work stoppages. This is particularly true in collective bargaining cases that involve: an initial contract; national security; the health care industry; large bargaining units or in those cases that have the potential for permanent shutdowns or disruptions to the community, work force, or interstate commerce.

The FMCS evaluates its success in these areas by looking at how many negotiations use mediation services, whether or not a work stoppage occurred, the duration of any stoppage, and the timing of mediators' involvement. On an aggregate basis the FMCS also estimates the financial cost of work stoppages that actually occur and the value of work stoppages that its mediators are able to prevent or shorten.

Strategic Goal #2: Building Problem-Solving Relationships

Improve labor-management relationships.

Objective:

- Use collaborative dispute resolution processes to manage workplace conflict.

Actions:

- Provide techniques and information that help parties improve their collective bargaining relationship with particular emphasis on implementation of the Affordable Care Act.
- Deliver internally sustainable dispute resolution systems.
- Educate labor and management leaders in the art of building and maintaining labor-management partnerships.

Strategy:

- Promote the use of FMCS programs and outreach emphasizing joint initiatives on significant issues likely to impact collective bargaining.

Expected Output:

- Increased customer satisfaction with FMCS educational products and services.
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Discussion:

Relationship development and training, grants, and a number of related activities are designed to help the parties to a collective bargaining agreement better understand the issues and external forces affecting their collective bargaining relationship and to develop internal task forces or groups to help them improve their relationship. In an increasingly global economy, outreach to sister agencies in other countries is a small, but important aspect of the FMCS's work in this area.

American employer and employee continued success in a globally competitive arena requires a degree of cooperation between labor and management that traditional confrontational bargaining relationships cannot easily accommodate. This is particularly true with respect to new circumstances confronting both parties in the collective bargaining relationship, such as the challenges associated with the implementation of the Affordable Care Act. These competitive issues can be both complex and subtle and require creative solutions that address unique challenges.

The FMCS is committed to delivering to its customers the best possible information, analysis, practices, and solutions. Through its program evaluations, the FMCS is constantly seeking to improve its core curriculum.

Strategic Goal #3: Resolving Mid-Term Disputes

Resolve contract-based disputes (grievances) that arise during the term of collective bargaining agreements.

Objectives:

- Assist parties to voluntarily resolve contract-based disputes.
- Provide high-value arbitrator referral service for situations when parties cannot voluntarily resolve a contract-based dispute.

Actions:

- Increased utilization of FMCS services to resolve contract-based disputes.
- Maintain roster of experienced arbitrators.
- Improve all aspects of the arbitration referral service.

Strategies:

- Advocate mediation and arbitration as the preferred methods for settling disputes between parties in a collective bargaining relationship.
- Facilitate joint, collaborative problem solving events on an ongoing basis.

Expected Outputs:

- Increase the proportion of settled grievance mediation cases.
 - Increase customer satisfaction with quality of arbitration service.
-

Discussion:

Grievance mediation, joint problem-solving facilitation, and arbitration are three approaches for resolving disputes that may arise from differing interpretations of a labor contract's terms and conditions. Grievance mediation and joint problem solving facilitation are voluntary processes that rely upon consensus building. Arbitration is a structured process that provides a final and binding determination. All three approaches are designed to reduce the need for expensive and time-consuming court litigation, and resolve disputes before they negatively affect the collective bargaining relationship.

Increasing the FMCS's presence among groups that have not traditionally used its services is one way to build healthier collective bargaining relationships. FMCS's involvement in these interventions encourages the parties to engage in other collective bargaining activities with less disruption and animosity.

Improved settlement rates in contract-based disputes and joint problem-solving cases provide a good indication of how well FMCS mediators are able to facilitate agreements. Likewise, favorable customer evaluations of the arbitrator referral service help the FMCS improve the quality of the service.

Strategic Goal #4: Promoting ADR

Resolve regulatory / enforcement policy disputes and statute- based workplace disputes.

Objectives:

- Use employment mediation as an alternative to litigation.
- Use problem-solving processes to resolve regulatory/ policy based disputes

Action:

- Increase number of employment mediations conducted and reimbursable agreements signed.
- Increase the number of facilitated Regulatory Negotiations and Public Policy disputes conducted.

Strategy:

- Advocate alternative dispute resolution (ADR) as the preferred method for settling non-collective bargaining disputes.

Expected Output:

- Increase the number of mediated settlements in employment mediation cases.
 - Increase the number of Regulatory/Policy disputes resolved through facilitated processes.
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Discussion:

The FMCS's alternative dispute resolution (ADR) work is defined by the Administrative Dispute Resolution Act of 1996 and is designed to help resolve disputes that do not result from a collective bargaining relationship. Under the Act, the FMCS is generally limited to work in the federal sector, but may include state or local entities if the dispute is related to a federal rule or regulation.

Using traditional dispute resolution vehicles, such as the courts or other statutory processes, may take several years and cost hundreds of thousands of dollars in legal fees court costs, and require significant resource expenditures from the affected parties. In addition, imposed outcomes from utilization of these processes are unpredictable and the conditions present when the dispute arose may have changed dramatically. In regulatory matters, voluntary resolution of a single issue by multiple parties through a facilitated consensus based process will normally offset any costs incurred. Broader resolution of more issues increases the benefits on an exponential basis.

By increasing the number of individual employment cases and regulatory/enforcement case that the FMCS takes and achieving an increased number of resolved cases, FMCS seeks to provide a cost-effective alternative to litigation and promote better government decision-making.

Appendix A: Current FMCS Field Offices and District Structure

