

Strategic Plan



2018-2022

Federal Mediation and Conciliation Service

Four-Year Strategic Plan

2018-2022

**Federal Mediation and Conciliation Service
250 E St., SW
Washington, DC 20427**

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Federal Mediation and Conciliation Service

Four-Year Strategic Plan 2018-2022

1 Overview of FMCS and Its Mission

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 executive orders expanded FMCS’s role to include providing employment-based mediation services to the private sector, alternative dispute resolution (ADR) programs to government agencies, and identifying and advancing innovative labor-management programs in the private sector.

By creating FMCS, Congress recognized that although workplace conflict is inevitable, disruptive work stoppages need not be. Managing and preventing conflict was seen as the best way to avoid the adverse economic effects of labor disputes. In addition, good labor-management relationships, collaboration, and pragmatic problem solving between companies, labor organizations, and workers would also significantly contribute to increased competitiveness, job growth, and enhanced economic well-being for business and labor alike.

FMCS embraces the principle that constructive labor-management relationships and collective bargaining are the most effective tools for increasing productivity and generating innovation and competitiveness in the nation’s unionized workplaces. Over the past 70 years, the FMCS has demonstrated success in preventing or minimizing interruptions to the free flow of commerce and improving labor-management relationships and organizational effectiveness in unionized American work places.

As the collective bargaining environment has evolved over time, so too has FMCS’s approach to its work. Today, complex issues such as employee health care and pension benefits may require many months, if not years, of intensive study and

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.

negotiations by the parties to achieve resolution. For this reason, FMCS seeks to proactively engage the parties as early in the process as possible to help them resolve their differences cooperatively and with a problem-solving mentality. This proactive approach often requires FMCS mediators to spend more effort and time in outreach and training activities and marks one of the more significant ways that a mediator's task has evolved to meet the demand of a changing economy.

1.1 Operating Environment

As in earlier periods of economic transition, new technologies and business models are transforming nearly every sector of the U.S. economy and as a result, increasing the likelihood of workplace conflict. Additionally, employers and workers continue to confront instability and rapid change in both retirement and health care benefits as well as job security. This change presents enormous challenges and opportunities for American workers and employers across all economic sectors.

Whether a dispute takes place in traditional labor-management settings and in conventional industries and sectors of the economy—such as cargo shipping, oil refining, automobile, and steel manufacturing—or among service industry and health care workers, and those participating in the new “gig” economy, the labor disputes all arise from complex decisions relating to employee salaries and benefits, working conditions, hiring and retaining skilled workers, managing technology, and competing globally.

FMCS is well equipped to assist with making these changes as smooth as possible and is constantly improving that capacity. Although headquartered in Washington, D.C., FMCS has strategically positioned ten regional offices and more than 60 field stations across the country where it can best help American workers and business thrive and succeed. In 2018, and continuing into the future, FMCS is dedicated to recruiting and hiring highly-qualified replacements for retiring employees, while simultaneously improving the skills of its existing workforce.

As evidence of its ongoing success in this endeavor, FMCS has consistently ranked as one of the top small places to work in the federal government throughout the past decade. Employees ranked the agency particularly well in areas of job satisfaction, understanding its mission, and employee motivation.

1.2 Mission Statement

The primary mission of the FMCS is:

“To assist parties to labor disputes in industries affecting commerce to settle such disputes through conciliation and mediation.”

In support of this mission, the 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.

1.3 Vision and Values

Vision Statement

FMCS commits to a strong and viable collective bargaining system as a foundation for society's well-being and economic growth, and believes that effective conflict resolution processes increase the general welfare, health, and safety of the nation.

Values Statement

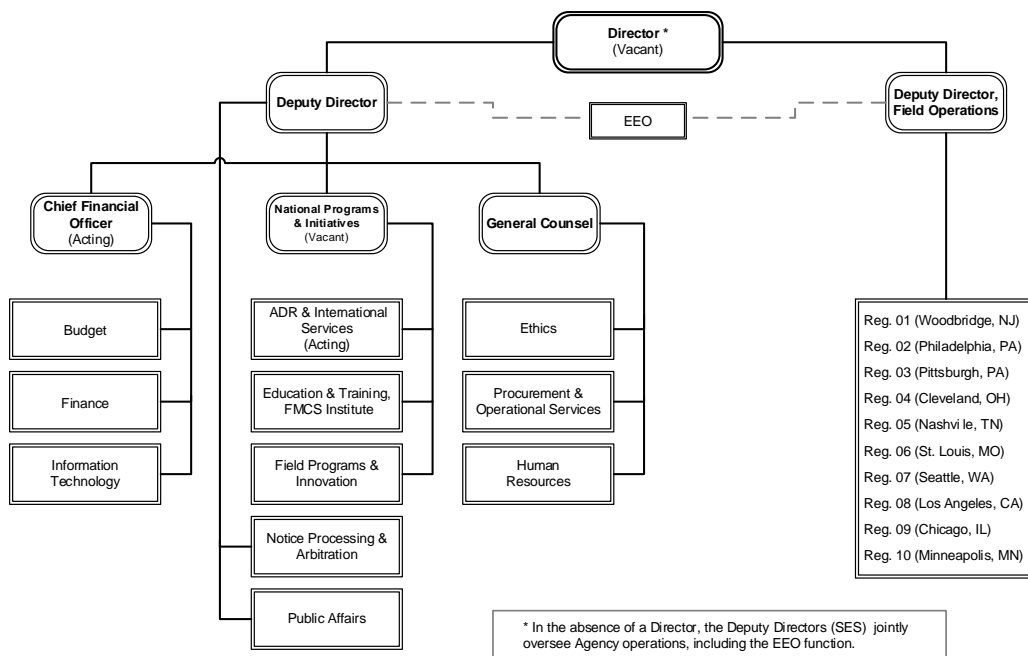
People—People are the key to FMCS's effectiveness and ability to excel. We strive for an atmosphere of mutual trust and inclusion with respect for the dignity and uniqueness of all individuals. We promote continuous growth and development and encourage individual responsibility and teamwork for excellence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

1.4 Operational Structure

FMCS maintains ten regional offices and 66 local offices in cities across the U.S. as well as its national headquarters in Washington D.C. The national office provides centralized procurement, budgeting, information technology, human resources, legal, equal employment opportunity, public affairs, and training functions. The ten regional offices, each staffed with a manager and an administrative assistant, provide localized managerial support services. The following chart depicts FMCS's operational structure.



As of Feb. 12, 2018

1.5 Cross-Agency Priority Goals

As a small independent agency, OMB has not identified FMCS as a direct contributor to Cross-Agency Priority Goals (CAP Goals). However, FMCS is dedicated to fully supporting goals that lie within the scope of its mission and is actively working towards favorable outcomes in these areas.

The Freedom of Information Act (FOIA)-Historically, and to the present day, FMCS has a strong record of voluntary disclosure and compliance with FOIA. As part of its commitment to FOIA, FMCS undertook a major initiative in 2016 to update its record retention policies with the National Archives and Records Administration (NARA), increase the number of records stored electronically, and is currently implementing a plan to meet all Controlled Unclassified Information (CUI) requirements by the end of 2018.

Cybersecurity-In support of the Cybersecurity goal, FMCS is vigorously implementing all Federal Information Security Management Act (FISMA) requirements. FMCS is placing a particular emphasis on meeting requirements related to information security, access management, mobile device management, and malware defense. In 2018 and beyond, FMCS will increase its capacity to not only prevent cybersecurity incidents, but minimize the damage to its operations should an event occur.

Customer Service-FMCS strives to continuously improve the quality of its customer service, whether the customer is party to a mediation or training, a vendor, a member of the general public, or another Federal agency. In 2017, FMCS implemented a much-improved system to provide customers with online access to the Agency's arbitration services.

Smarter IT Delivery-Since 2014, FMCS has been updating legacy applications to web-based applications, modernizing databases and reporting platforms, and moving high-availability systems to hosted (e.g. "cloud") solutions. Accomplishments include moving the Agency Internet site and email systems to cloud solutions and virtualizing more than 90 percent of its internal server capacity.

People and Culture-FMCS employees have consistently ranked the Agency in the annual Employee Viewpoint Survey (EVS) as one of the best places to work in the Federal government. FMCS seeks to not only maintain that ranking but to continually improve upon it. Based on feedback from the EVS, over the past few years FMCS has focused on standardizing its employee performance evaluation process, updating position descriptions, and reviewing employee job functions.

1.6 Statutory and Other Legal Authority

Title II of the Labor-Management Relations Act (Taft-Hartley) established the Federal Mediation and Conciliation Service 1947 as an independent agency of the Federal government. The agency's primary mission is to prevent and minimize labor-management disputes affecting interstate commerce by providing mediation, conciliation, and voluntary arbitration services. All mediation and conciliation functions of the Secretary of Labor and the United States Conciliation Service were transferred to FMCS at that time. FMCS was given responsibility for both the private and public sectors, except for the railroad and airline industries, which are within the purview of the Railway Labor Act administered by the National Mediation Board.

The Civil Service Reform Act of 1978 authorized FMCS to assist with dispute resolution in federal sector labor disputes. The Labor-Management Cooperation Act amended the Taft-Hartley Act in 1978 and directed FMCS to encourage labor-management cooperative activities. It also authorized the issuance of grants to support joint labor-management activities conducted by plant, area, public sector, and industry-wide committees.

In 1990, the Administrative Dispute Resolution Act and the Negotiated Rulemaking Act authorized FMCS to assist other Federal agencies in resolving disputes arising out of grants, contracts, licenses, or other agency administrative actions, and to assist in the process of negotiated rulemaking. The Administrative Dispute Resolution Act of 1996 amended and permanently reenacted these 1990 Acts.

Over the years, Congress and the Executive Branch have authorized FMCS to perform a variety of dispute resolution functions as well as to assist in the improvement of labor-management relationships. Specific statutory and other authorizations of FMCS programs are described below.

- I. The Labor-Management Relations Act of 1947 (Public Law 80-101, as amended, 29 U.S.C. 158(d), 173 et. seq.) directs the FMCS to prevent or minimize interruptions to the free flow of commerce growing out of labor disputes by helping the parties settle such disputes through mediation. Parties are required to notify the FMCS 30 days prior to a contract termination or modification date so that mediation services may be proffered.

The Act establishes a special procedure for threatened or actual strikes which, in the opinion of the President, imperil the national health or safety. In such situations, the President may appoint a board of inquiry to ascertain the facts with respect to the dispute. After receipt of a report, the President may seek to enjoin the strike, and a court may do so if it finds that the threatened or actual strike or lockout affects a substantial part or all of an industry and would imperil the national health or safety. 29 U.S.C. 176-178.

- II. The Health Care Amendments of 1974 (Public Law 93-360, 29 U.S.C. 158(d) (4), (4)(A), (4)(B)) (amending the National Labor Relations Act) include special provisions intended to prevent or minimize work stoppages in the health care industry. In the case of this industry, FMCS must be notified 60 days before the contract termination date. A 30-day notice is required in initial bargaining situations. If, in the opinion of the Director, a strike is threatened which would interrupt the delivery of health care in a locality, the Director may appoint a board of inquiry. 29 U.S.C. 183. The board has 15 days within which to investigate and file its report and recommendations; parties must maintain the status quo for 15 days thereafter while further negotiations and mediation take place. The parties are required to cooperate in any mediation efforts by FMCS.
- III. The Civil Service Reform Act of 1978 (Public Law 95-454, 5 U.S.C. 7119(a)) directs the FMCS to provide mediation assistance in disputes arising from negotiations between Federal agencies and the representatives of their employees.
- IV. The Postal Accountability and Enhancement Act of 2006 (Public Law 109-435, as amended, 39 U.S.C. 1207) requires the FMCS to provide mediation services and assist in establishing arbitration boards in collective bargaining disputes between the Postal Service and the exclusive representatives of its employees.
- V. An Act to Establish Dispute Resolution Procedures to Settle Disputes Between Supervisors and the United States Postal Service, 1980 (Public Law 96-326, as amended, 39 U.S.C. 1004) directs FMCS, upon the request of either the Postal Service or an organization representing its supervisors, to convene fact finding panels to recommend supervisory pay and fringe benefit policies and to create panels to review the effectiveness of these procedures and other employment policies.
- VI. Presidential Statement, March 24, 1953. The Atomic Energy Labor-Management Relations Panel was established within the FMCS in March 1953, by President Eisenhower, in order to ensure the uninterrupted functioning of the atomic energy program without strikes or lockouts due to labor-management disputes. This Panel was moved to the Atomic Energy Commission in March 1956 but was returned to the FMCS under an inter-agency agreement with the Department of Energy in April 1980 and renamed the Energy Labor Management Relations Panel (ELMRP).
- VII. Executive Order 11374, October 11, 1967, transferred the responsibilities of the Missile Sites Labor Commission (created by Executive Order 10946) to provide priority resolution of labor disputes at missile sites to the FMCS.

- VIII. The Federal Insecticide, Fungicide and Rodenticide Act of 1978, (Public Law 95-396, as amended, 7 U.S.C. 136a(c)(1)(F)(iii)) requires the FMCS to provide for the appointment of arbitrators to decide disputes concerning compensation for the use or development of pesticide registration data.
- IX. The Labor Management Cooperation Act of 1978 (Public Law 101-552, as amended by Public Law 95-524, 29 U.S.C. 175a, 186(c)(9)) added Sections 205A and 302(c)(9) to the Labor-Management Relations Act and authorizes and directs the FMCS to encourage and support joint labor-management activities conducted by plant, area, and industry-wide committees designed to improve labor-management relationships, employment security, and organizational effectiveness. The Act authorizes the Service to provide grant funds to assist in the establishment and operation of these labor-management committees.
- X. The Administrative Dispute Resolution Act of 1996 (Public Law 104-320) (ADRA) authorizes and encourages agencies to use various alternative means of dispute resolution in the Federal administrative process in order to avoid the time and expense of litigation. The ADRA amended, permanently enacted, and incorporated into the Administrative Procedure Act, the Administrative Dispute Resolution Act provisions (5 U.S.C. 571 *et. seq.*) and the Negotiated Rulemaking Act provisions (5 U.S.C. 561, *et. seq.*) of 1990 legislation. These provisions and their predecessors suggest that the ADR and regulatory-negotiation “experiments” have become well-accepted processes of Federal agencies.

Under the ADRA, coverage has been expanded to include additional dispute resolution techniques, such as “ombudsmen,” and the use of ADR in some workplace conflicts, including Hatch Act violations, retirement, insurance, certain suspensions, removals, examinations, and appointments. The ADRA encourages the development of guidelines to expedite the selection of neutrals and to facilitate the use of alternative dispute resolution in the Federal government.

This legislation also amends the Labor-Management Relations Act of 1947 (Taft-Hartley) by permanently adding Section 173(f) of Title 29 of the United States Code (29 U.S.C. 173(f)) so that the FMCS may provide all forms of ADR assistance to Federal agencies. Under this legislation, FMCS continues to assist agencies in negotiated rulemaking processes as well as other ADR procedures by providing training, facilitation, mediation, and other neutral skills.

- XI. The U.S. Code of Federal Regulations at 45 CFR 90.43(c)(3), issued by the Department of Health and Human Services, implementing its authority under the Age Discrimination Act of 1975, 42 U.S.C. 6101 *et seq.*, authorizes the FMCS to provide mediation assistance for the resolution of age-discrimination charges.

- XII. The Federal Aviation Reauthorization Act of 1996 (Public Law 104-264, as amended, by Public Law 106-181, 49 U.S.C. 40122(a)) directs the FMCS to mediate disputes between the Administrator of the Federal Aviation Administration and its employee representatives concerning changes to the FAA's personnel management system.
- XIII. The Veterans Health Care Capital Asset and Business Improvement Act of 2003 (Public Law 108-170, 38 U.S.C. 7403 (h)(4)(C)) gives the Secretary of Veterans Affairs or the exclusive representative of the affected employees the option of using the services of the Federal Mediation and Conciliation Service to assist the parties in reaching an agreement regarding disputes with respect to any system of promotion and advancement proposed by the Secretary.
- XIV. The Transportation Security Administration Determination, "Transportation Security Officers and Collective Bargaining," February 4, 2011, requires the facilitation of collective bargaining negotiations by the Federal Mediation and Conciliation Service, or other agreed-upon entity, and requires TSA and the unions subject to bargaining to attend training in interest-based negotiations, which will be conducted by the FMCS.

1.7 Contributing Program Areas

In addition to mediating collective bargaining disputes, FMCS mediators proactively offer a variety of grievance mediation and training services to labor and management to help ensure that when negotiations take place, they will be conducted in a constructive, problem-solving manner. On another front, the FMCS also maintains and provides rosters of arbitrators whose services the parties can utilize to resolve grievance disputes concerning the meaning, interpretation, and enforcement of provisions in existing collective bargaining agreements.

Collective Bargaining Mediation

Through its collective bargaining mediation work, FMCS helps avert or minimize the cost of work stoppages to the U.S. economy. Although FMCS provides mediation services primarily to the private sector, it does provide service to Federal agencies, and state and local governments. During mediation, the mediator's task is to identify alternative solutions and compromises, encourage settlement where appropriate, control the critical timing of offers, and persuade the parties to discuss their differences in good faith.

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 goal of preventing unresolved contract interpretation issues from spilling over into future contract negotiations. Lengthening contract terms increase the importance of resolving contentious issues arising during the term of a contract.

Relationship-Development and Training

Preventing conflict that may arise during the term of a collective bargaining agreement is another FMCS goal. FMCS's relationship-building training programs are designed to improve labor-management relationships by helping labor and management to develop collaborative problem-solving approaches. Use of these programs better enables the parties to jointly respond to rapidly changing business and economic conditions during the term of the contract and also make future mediation efforts more effective.

FMCS relationship-development and training programs include:

- **Relationship by Objective:** Improves the parties' relationship with one another, particularly where the relationship has worsened after a contentious representation election, initial contract negotiation, or strike.

- **Committee Effectiveness Training:** Assists the parties in developing joint labor-management committees designed to bring the parties into regular communication.
- **Partners in Change:** Explores the organization's current culture, identifies perceptions within the organization, creates a vision for the future, and designs systems that effectuate change.
- **Labor-Management Work-Site Committee Training:** Helps labor-management committees extend to the work-site level, forming work-site committees, group interactions, and learning techniques to manage change.
- **Contract Administration/Steward-Supervisor Training:** Trains front-line supervisors and shop stewards on their roles and responsibilities in contract administration, grievance processing, the arbitration procedure, and interpersonal communications for building cooperative relationships.
- **Cultural Awareness Skills for Labor and Management:** Trains the parties to function in a multicultural work setting including the resolution of cross-cultural conflicts in a workplace.
- **Collective Bargaining and Mediation Training:** Trains the parties on effective negotiation and communication skills.
- **Collaborative Negotiation and Problem Solving Training:** Trains the parties in joint non-adversarial decision making approaches.

ADR Services

Outside the collective bargaining arena, FMCS provides dispute resolution services to other Federal, state, and local government agencies on a cost-reimbursable basis. The Administrative Dispute Resolution and Negotiated Rulemaking Acts recognized FMCS's conflict resolution expertise and called on FMCS to help expand the use of alternative dispute resolution throughout government to reduce litigation costs and to promote better government decision-making. To this end, FMCS provides sister agencies with a wide variety of professional services, such as mediating employment disputes, designing and building capacity for effective conflict management systems, and developing tools for interagency and public-private cooperation and collaboration.

International Training and Exchange

Beyond the nation's borders, FMCS plays an important role in promoting collective bargaining and conflict resolution around the world. Emerging market economies often struggle to compete effectively in a globally integrated marketplace. FMCS helps establish the labor relations institutions that are essential to the smooth functioning of free market economies. These 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 domestic labor-management disputes with international implications.

FMCS delivers its international training programs on a cost-reimbursable basis through interagency acquisition agreements with other government agencies, such as the Departments of State and Labor and U.S. AID.

Arbitration Services

National labor policy favors arbitration for settling contractual disputes. The FMCS Office of Arbitration Services maintains a roster of approximately 1,000 independent arbitrators who are qualified to hear and decide disputes over the interpretation or application of collective bargaining agreements. Upon request from the parties and the payment of a nominal fee, the FMCS furnishes a list of names from which the parties may choose an arbitrator to hear their case and render a decision.

FMCS Institute for Conflict Management

The FMCS Institute for Conflict Management (Institute) delivers accessible, practical, and experience-based conflict resolution training for individuals and small groups of employees and managers. The training is specifically designed to meet the challenges of labor-management relations and organizational change. The Institute's training programs provide participants the opportunity to interact with and learn from experienced practitioners who use these skills every day. Federal mediators and private-sector arbitrators constitute the Institute faculty. Courses offered in a typical year include Mediation Skills for the Workplace, Labor-Management Negotiation Skills, Evidence and Witness Examination in Arbitration, Arbitration for Federal Advocates, The Art and Science of Inquiry, and Becoming a Labor Arbitrator. The Institute runs as a reimbursable program and is funded by fees received from training participants.

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 annual appropriations, and grants are distributed to encourage labor-management committees to develop innovative joint approaches to workplace problems.

2 Strategic Goals and Objectives

Unlike agencies with regulatory or adjudicative powers, FMCS has a very limited ability to require private parties to participate in mediation. Consequently, FMCS relies upon its excellent reputation for delivering high-value services with dependable professionalism and expertise to fulfill its statutory role and mission. FMCS retains this reputation by recruiting highly qualified mediators and providing opportunities for skills development throughout their careers.

FMCS conceptually organizes its performance around two broad themes: 1) Resolving workplace disputes and 2) Providing processes and procedures for operational excellence. Within each theme lie sets of distinct work processes to which it applies separate strategic goals.

In resolving workplace disputes, mediators are expected to provide services in every subject area except for arbitration, which operates separately as a referral service of the FMCS. Mediators are prohibited from offering advice in matters that may be perceived as legal advice. Figure 1 provides a breakdown of the various activities performed by FMCS employees.

Figure 1: Resolving Workplace Disputes Theme

1. Dispute Resolution
 - a. Collective Bargaining Mediation
 - b. Grievance Mediation
2. Conflict Management Systems
 - a. Relationship Development Training
 - b. Labor-Management Grants
 - c. Education, Advocacy & Outreach
3. Alternative Dispute Resolution
 - a. Employment Mediation
 - b. Dispute Systems Design
 - c. Regulatory Negotiation
4. International Training and Exchange
5. Arbitration
 - a. Arbitrator Paneling Service

Through its support activities, FMCS employees support mediators' work, provide information to other government agencies, and perform activities mandated by Federal law. In the operational excellence sphere, responsibility for an activity may lie entirely within the function of a specific person or work unit or be spread across two or more offices (Figure 2.)

Figure 2: Providing Operational Excellence Theme

1. Employee Engagement
 - a. Work-life
 - b. Talent Development
2. Culture of Compliance
 - a. Financial Systems
 - b. Corporate Responsibility
 - c. Acquisition Services
3. Executive Oversight
 - a. Enterprise Risk Management
 - b. Policy Coordination
 - c. Continuity of Operations
4. Asset Management
 - a. Facility Management
 - b. Capital Assets

2.1 Resolving Workplace Disputes

Mediation is a largely voluntary, interactive and cooperative process that indisputably reduces costs and improves the acceptability of the outcome to both parties. While collective bargaining mediation is often the most visible and recognized service that FMCS provides, supporting collective bargaining relationships requires a number of related activities, including: individual mediation, training, and outreach. 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—including those in which they are not actually active “at the table.”

Dispute Resolution

The most important of FMCS's goals, and where it focuses most of its effort and financial resources, is to assist labor and management to voluntarily and cooperatively resolve their contract-based disputes. Labor unrest, whether manifested as an employee strike, management lockout, or a large number of unresolved grievances, carries a high cost to U.S. businesses, employees, taxpayers, and consumers alike. Additional costs arise from unresolved employee or employer grievances. Whether manifested by excessive litigation, “work to rule” campaigns, or persistent protests over working

conditions, unresolved grievances have an economic impact through reduced worker productivity and may also increase the possibility of future work stoppages.

FMCS has two objectives to its dispute resolution activities. The first, and most important, is to minimize or eliminate the interruption of interstate commerce—the number of work stoppages—and to lessen as much as possible the duration of work stoppages that may occur during collective bargaining negotiations. The second is to resolve contract-based disputes, or grievances, that may arise during the term of a collective bargaining agreement.

A critical finding from a 2005 study of FMCS mediation was that when mediation occurs prior to a contract's expiration date, work stoppages are not only less likely to occur, but the duration of any subsequent work stoppage is reduced by 40 percent. Prior to the 2005 study, a study of matched bargaining pairs found that both parties identified FMCS mediation as the most important factor in preventing work stoppages from occurring in approximately 7 percent of all collective bargaining negotiations.

As a result of these two studies, FMCS recognizes that early and ongoing contact with the parties to a labor contract negotiation is critical to reducing the number and duration of work stoppages. FMCS's experience has been that resolving grievances during the term of an agreement leads to stronger labor-management relationships and also reduces the likelihood of a work stoppage from occurring. This is particularly true in collective bargaining cases that involve an initial contract, national security, the health care industry, and large bargaining units. The same is also true for cases that have the potential for permanent shutdowns or disruptions to the community, workforce, or interstate commerce.

FMCS evaluates its success in these areas by looking at how many negotiations use its mediation services, whether or not a work stoppage occurred, the duration of any stoppage, and the timing of mediators' involvement.

FMCS historical records indicate that one-third to one-half of all collective bargaining cases mediated by the FMCS involved early mediation. In grievance mediation, historical records indicate that approximately 75 percent of all cases mediated by the FMCS result in an agreement. Given that mediation is a largely voluntary process, the FMCS has limited ability to dramatically increase either of these rates. However, these rates are valuable in that they indicate whether or not the FMCS is performing within expected parameters.

Strategic Goal #1: Dispute Resolution

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, 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.
- Regularly update core professional development training modules and activities that ensure mediators deliver consistent, professional and meaningful content.

Expected Outputs:

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

Conflict Management Systems

FMCS provides conflict management activities to collective bargaining parties and labor relations practitioners with the goal of improving the general climate of labor-management relations. Continued success of American businesses and American workers in a globally competitive arena requires a degree of cooperation between labor and management that traditional confrontational bargaining relationships cannot easily accommodate. These competitive issues can be both complex and subtle and require creative solutions designed to address the unique challenges the parties confront.

FMCS conflict management activities address knowledge and skills gaps with the objective of educating labor and management leaders, both in the U.S. and abroad, in the art of building and maintaining successful labor-management partnerships. As contemplated by the Labor Management Cooperation Act, successful partnerships improve productivity and enhance efficiency.

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 managing conflicts arising from pressure on benefit structures.
- Deliver internally sustainable dispute resolution systems.
- Educate labor and management leaders in the steps to 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.

Arbitration

With the goal of providing easy access to arbitration in situations when parties cannot voluntarily resolve a contract-based dispute, the FMCS arbitration service is an important tool for fulfilling the FMCS mission. Arbitration represents the last chance for labor and management to avoid direct litigation and all its associated costs. It is used in many different settings in the U.S. to reduce court costs and avoid court-imposed delays. Unlike litigation, arbitration is a private and often confidential process and often involves an arbitrator who is a subject matter expert.

Core to the concept of arbitration is the understanding that the arbitrator is neutral and well-versed in the issues of concern to the parties. The objective of the FMCS arbitration service is to provide a high-value arbitrator referral service. While FMCS cannot control the amount of time an arbitrator spends on a case or the associated fees, it does track these costs.

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.
- Ongoing review of 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.

Alternative Dispute Resolution

The goal of FMCS's ADR program is to promote mediation as an alternative to litigation. This goal expands upon the principle that voluntary and cooperative conflict resolution is less expensive and provides the parties an important opportunity to control their own destinies and, as such, offers a better long term solution than comparable litigation models. By statute, FMCS's ADR work is generally limited to supporting the Federal sector, but may include state or local entities if the dispute is related to a Federal rule or regulation.

ADR activities at FMCS are diverse, but typically involve employment or administrative program dispute mediation, dispute system design, training persons in ADR skills, and procedures or regulatory negotiations. All have the objective of resolving regulatory or enforcement policy disputes and statute-based workplace disputes.

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 and variety of dispute mediation services provided to government agencies, including, but not limited to, employment mediation, regulatory negotiations, public policy disputes, systems design, skills development and training, facilitation of inter- and intra-Agency cooperation and collaboration, mediator coaching and mentoring.

Strategy:

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

Expected Outputs:

- Increase the number of mediated settlements in employment mediation cases.
- Increase the number of regulatory/policy disputes resolved through facilitated processes.

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 and 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.

By contrast, the FMCS is able to offer resolution in employment mediation cases for less than \$1,000 in most instances and provide an acceptable solution to both parties on the same day. Historically, the FMCS achieves an agreement in approximately 50 percent of these individual employment dispute mediation cases. In regulatory matters, the value of a voluntary resolution of a single issue by multiple parties through a facilitated consensus-based process will normally more than offset any costs incurred.

2.2 Providing Operational Excellence

FMCS staff must effectively perform many different internal activities to properly support its mediation activities. These include management, training, payroll, information technology, and acquisition functions. The overall quality of the mediation and dispute resolution services FMCS provides is determined, in part, by the efficiency of its internal functions, including management.

Due to the small staff size focusing on specific tasks, how well staff perform these essential functions is readily apparent. Additionally, FMCS relies upon a limited number of indicators that are representative of the overall health of that function or department and broader measures of success, such as the Federal Human Capital survey, to guide its decision-making.

Employee Engagement

Employee engagement is a management concept that centers on identifying key job factors and designing initiatives that motivate employee discretionary effort and improve employee retention. FMCS addresses employee engagement by supporting its employees' emotional and physical well-being and creating a highly skilled, motivated, and empowered workforce. Innumerable studies have shown that engaged employees are more productive, perform their work more effectively, and are more willing to stay with their employer than those that are not engaged.

FMCS has set objectives, based on the needs and efficient operation of the Agency, in two different areas relating to employee engagement. The first area focuses upon employee programs such as telecommuting, alternate work schedules, and performance awards that directly improve employee morale and provide a workplace that helps employees balance work-life demands while supporting their physical and emotional health. Secondly, FMCS also focuses upon providing employees with opportunities for career advancement and job skill enhancement. Activities such as skills development, leadership training, and high-quality personnel management all support creating and maintaining a talented workforce.

A key strategy employed by FMCS to confirm its success is using the annual Federal Employee Viewpoint Survey results to compare itself to similarly sized agencies and also identify areas for improvement. Similarly, the FMCS Office of Human Resources works with managers to construct and update employee performance work plans. These updated plans effectively and consistently document employee critical performance elements and integrate identified skills gaps into individual development plans.

Culture of Compliance

Complying with internal controls, Federal regulations and laws and industry best practices is a mandatory goal of FMCS business processes and operations. For example, the Freedom of Information Act (FOIA) not only requires that FMCS respond to public

requests for information, but the Agency must also have personnel and processes dedicated to the task and report regularly to other government agencies on its FOIA activities. These requirements extend to other important areas as well, including ethics, finance, procurement, cybersecurity, and records management.

With respect to financial and acquisition systems, FMCS strives to be a good steward of the public trust through high-quality budgeting processes and financial and procurement controls. The objective in the area of corporate responsibility is to ensure that the FMCS conducts its operations ethically, transparently, and according to government and industry rules and standards. These objectives were set in recognition that good governance is the essential first component of building public confidence in government.

Key strategies used to meet FMCS compliance objectives include maintaining the high agency FOIA program ratings and reducing the number of records retained beyond the limits of the FMCS's retention policy.

Executive Oversight

Oversight of FMCS operations is an executive function with the goal of guiding current operations and providing a vision for the future. The FMCS director is appointed by the President and supported by two deputy directors. Together, these individuals are responsible for overseeing day-to-day operations of FMCS and also ensuring that the Agency is well prepared to meet future challenges.

Policy coordination activities such as strategic planning, budgeting, and operational assessments are all performed with the objective of ensuring efficient operations, effective communications, and policy alignment. Similarly, continuity of operations activities such as succession planning, employee protection, and disaster recovery planning are essential for maintaining a safe workplace environment and providing for continuity of business operations in event of a natural disaster or national emergency.

Asset Management

With 66 distinct office locations throughout the United States and a highly mobile workforce, the FMCS has many different physical assets to manage, as well as the electronic information systems that facilitate communications between these locations. The goal of FMCS's asset management activities is to manage and safeguard the physical and information assets of the FMCS.

The facility management function of the FMCS relates to locating, procuring and operating FMCS offices with the objective of providing neutral facilities in accordance with statutory requirements and that meet the needs of customers and the workforce located in that geographical area. Since mediation may occur at any time of day or night, FMCS cannot usually locate an office in a secure facility, such as a Federal building, which is only open during regular business hours. Communication system functions such as telecommunication and electronic information systems provided by FMCS for customers and staff must be up-to-date and effective. In addition, FMCS must protect

taxpayer interests in its capital assets by safeguarding Agency physical assets from damage, theft or loss.

In accordance with these concerns, a number of strategies are employed by FMCS to manage its facilities. First, it monitors office and meeting space utilization rates. Offices that are not used by mediators at a rate that justifies their expense may be closed and the mediator will be assigned to operate out of a home office. FMCS also relocates, consolidates, or adds offices, as appropriate. Among the many factors considered in these reviews are FMCS's ability to fill anticipated vacancies, the workload balance among mediators and regions, proximity of other available mediators, and bargaining activity patterns. The strategy for managing electronic communications and capital assets is similar, relying upon anticipated life cycles to retire and replace obsolete assets and services.

3 Conclusion

The U.S. economy is in a period of transition on many levels. While these transformations present great opportunities, they also present the challenges of increased workplace conflicts as workers and businesses grapple with issues of technology, automation, competition, skills, and cost-management. Workplace disputes are arising in both traditional labor-management collective bargaining settings, as well as in high profile social media and community-based campaigns for improved wages and working conditions.

Over seven decades, FMCS has compiled a proud record of success in helping parties resolve disputes, learn joint problem-solving skills, and create successful, collaborative problem-solving relationships. As the nature, complexity, and range of the issues confronting managers and employees in business and government have evolved, so too has FMCS, constantly seeking new and innovative methods to prevent disruptions to the U.S. economy, to reduce costs to U.S. taxpayers, and, most importantly, to help managers and workers together overcome the challenges of the changing economy in business and government workplaces.