2-3-1984

Information Report on Labor Climate and Oregon's Future

City Club of Portland (Portland, Or.)
Information Report on
LABOR CLIMATE AND OREGON'S FUTURE

Day-to-day labor management relations have been described by one Federal Mediator as, "cautious and cool; reminiscent of two opponents warily circling, sizing each other up, buying time to decide how to proceed." Revolutionary changes in this historically adversarial relationship are becoming apparent nationwide, however, and are becoming of increasing interest in Oregon. Union or non-union, these changes in labor-management relations are founded on cooperative attitudes and employee participation in decision making.

More than 200 national union-management experiences offer strategies for how Oregon might improve its labor climate and its economic development prospects. Unionized settings provide clear examples of how a cooperative approach produces positive results. A notable example is Ford and the United Auto Workers' decision to temper the adversarial relationship with cooperation. This cooperative intent was formalized in their 1982 contract. Auto analysts attribute Ford's dramatic 50% improvement in quality and productivity primarily to this cooperative effort. Positive results are also being seen by major steel companies working with the United Steel Workers in an effort based on employee involvement through "labor-management participation teams."

Another example of cooperative efforts is Jamestown, New York. In 1969, Jamestown was dying economically. Through the joint efforts of government, union and business leaders, Jamestown is now economically revived and considered a model for what is possible. The key factor in this economic revitalization was Mayor Stanley Lundine's establishment of a labor-management committee to improve labor-management relations in what was known as a "bad labor town." Results of this effort were the retention of existing business, attraction of new business, creation of new jobs and an optimistic, upbeat attitude.

These and other examples show that improving the quality of labor-management relations has improved the labor climate and economic status of workers, industries and cities. The data suggests a similar strategy can be applied to a state. Though Oregon's labor climate has received little attention, companies considering locating in Oregon consider it important. Of particular concern are issues such as productivity, degree of unionization, number of work stoppages, wages, access to a qualified workforce and extent of turnover in the workforce. According to the Joint Legislative Committee on Trade and Economic Development, labor climate was a key consideration in discounting Portland as a possible site for the Mitsubishi plant.

Key Oregon business and labor leaders meeting with former Governor Tom McCall shortly before his death believed Oregon's labor-management relations were not a particular handicap. However, they believed that through labor-management cooperation, the labor climate could be strengthened to become an asset, offsetting other liabilities such as proximity to Eastern markets and the state's poor business image.

There are indications such a cooperative approach is being seriously considered in Oregon. Activities illustrating interest in labor-management
cooperation include an October, 1983 Otter Crest Labor-Management Symposium, and a variety of active in-plant programs, such as those recently implemented by Crown Zellerbach and the International Woodworkers of America. The Otter Crest Symposium was particularly important in that it provided a neutral setting for fifty of Oregon's business and union leaders to become familiar with cooperative activities being carried out by their peers throughout the nation. Additionally, there was ample opportunity for discussion of how the participants might benefit by such activities. There was a consensus that in addition to further state-wide meetings, industry-specific conferences should take place. The discussions demonstrated an active high-level interest in labor-management cooperation as an alternative to the traditional confrontational approach.

This interest coupled with Oregon's current economic state raises the question: What would be the impact on Oregon's economic future of a more cooperative labor-management environment?

Respectfully submitted,

Jack Fordyce  
Sara Goldberg  
Carter MacNichol  
Greg Sweigert

Sylvia Takeuchi  
Robert McCarthy, Chairman

BUSINESS & LABOR STANDING COMMITTEE