

EMPLOYER BARGAINING OBJECTIVES SURVEY ISSUED BY BNA

The Bureau of National Affairs' survey report on employer bargaining objectives, based on responses from 128 employers provides a detailed review of existing contract terms and key insights into employers' outlooks and goals for negotiations in 2009.

Highlights of the report include:

- Employers continue to be confident about achieving their bargaining objectives.

More than nine in 10 employers (94 percent) are either very confident (32 percent) or fairly confident (62 percent) that they will meet their 2009 bargaining objectives. This is unchanged from 2008 and represents a 1 percent improvement from 2007 figures.

- Employers are less likely to make wage concessions than in 2008.

Forty-four percent of employers say they would consider departing from their wage adjustment proposal. In 2008, that percentage stood at 59 percent. In 2007, it was a much higher at 70 percent.

- Average first-year wage adjustment proposals in new contracts will be substantially lower than 2008 figures.

Forty-one percent of employers will seek wage adjustments of 3 percent or more during the first year of the contract. This is a marked decrease from 2008 numbers, when 50 percent of surveyed employers proposed wage increases greater than 3 percent. Over the life of the contract, 42 percent of employers will seek an average annual 3 percent or more increase, the 2009 survey indicates. That number is virtually unchanged from 2008 (41 percent), but is significantly lower than 2007's 52 percent.

- Employers will seek to maintain and gain ground in the area of insurance and health care.

Eleven percent of surveyed employers say they would accept proposed improvements in the area of insurance and health care, while 48 percent will attempt to gain concessions.

- Employers will focus on health care cost containment, including wellness programs.

Forty-nine percent of employers plan to contain costs with wellness programs, which according to the survey are the second most popular offering in existing contracts, after generic drug requirements. In 2007, 42 percent of employers offered these relatively new plans to their workers. In terms of popularity of cost containment methods, in 2007 and 2008 wellness programs ranked seventh.

- Some employers will maintain their commitment to job security.

Despite uncertain economic times, employers have not abandoned their willingness to provide some form of job security. In 2007, 11 percent of employers expected to add new provisions, and in 2008 that number stood at 6 percent. This year, 10 percent planned to add new provisions. On the other hand, 2007 saw 15 percent of employers willing to roll back, or eliminate altogether, programs to provide job security. Last year, that percentage was 13 percent. In 2008, 12 percent of employers expect to take this route in contract negotiation.

(Source: BNA, *Daily Labor Report*, No. 48, March 15, 2009, pp. S27.)