

Union negotiations

Business



Union Negotiations Union Negotiations Before presenting the demands of management, they should first explain to the employees the reasons why there is a need for a salary reduction or a reduction in the number of employees if they want to stay competitive. They must also point out that at present their salaries are 15% more than industry standards. Management should also inform the employees that even top management had already accepted a greater salary cut to reduce labor costs.

Management Demands

Compromised Settlement

Union Demands

Reduce workforce by 5%

No lay-offs

No lay-offs

Decrease salaries by 10%

Decrease salaries by 7.5%

Decrease salaries by 5%

Increase the incentive for variable pay by 5%

Increase the incentive for variable pay by 7.5%

Increase the incentive for variable pay by 10%

Reduce working hours by 30 minutes a day

Reduce working hours by one hour a day

Reduce working hours by two hours per day

Increase in overtime pay by

5%

Increase in overtime pay by 10%

Increase in overtime pay by 15%

<https://assignbuster.com/union-negotiations/>

Additional paid time-off by 5%

Additional paid time-off by 10%

Additional paid time-off by 15%

Hopefully, the above compromised settlement will be acceptable to both management and the labor union. Management must emphasize though that these steps are only temporary until such time that they are able to again recapture their market position. Employees will remain motivated if they know that the adjustments made are only temporary and that once the company is doing well again financially, their salaries will be increased accordingly. Management must also point out that it is better to have salary cuts rather than seeing several of their co-workers laid-off. What is important is that the employees remain motivated despite the cuts.