

Memo report(wage negotiations incident decision)

[Business](#), [Management](#)



CEO of HR Ninja March 25, Union pay increase demand Western local 54 is the union that represents the levell workers of the company. The union is negotiating a new bargaining agreement that provides the employees with a \$600 increase in wages. “ Negotiation is the process of making decisions when the parties involved have different preferences” (Schermerhorn, Hunt, Osborn, pg. 388). The claim of the union is that the productivity of the company has increased since the last labor contract. Based on the union’s claim the production increases were as a direct consequence of the labor factor. This premise is erroneous, but going into a war with the union is not in the best interest of the company. The union has made it clear that if their demands are not met the employees will go on strike. The firm should avoid the strike scenario under all consequences. The proposed solution avoids the risk of a work stoppage caused by a worker’s strike.

The optimal solution for the company is to settle with the union in order to resolve the incident. The negotiator send to talk will admit that the employees deserve a raise. The negotiator will explain to the union representatives that the increase in production of the company came due to a variety of factors including better equipment, optimal use of technology, and mastering the learning curve. The human factor also contributed directly to the increment in production. The firm will open its books to show the union that the company cannot afford such a high increment in salary. The proposed solution is to offer the employees an increase of \$400 per employee.

Work Cited Page

Schermerhorn, J., James Hunt, and Richard Osborn. Organizational Behavior (8th ed.). New York: John Wiley & Sons. Print. 2003.