

Handout 2

Case Scenario: Employer-Employee Negotiation

You are a part of the meeting between employers and employees who are members of the labor union. The negotiations over better wages and benefits came to a halt.

The union represents over 5,000 janitors, guards and window cleaners. They have to work without holidays and receive no paid time off. There is no paid vacation time.

As one of the fastest growing industries, the services sector is not experiencing significant economic difficulties. Profits are on the rise, and the sector as a whole is blossoming. Yet, service workers continue to receive minimum wages of \$6.85 an hour. They also do not get any health insurance benefits, and get only four hour shifts per night.

The workers demand a new contract that will provide for the following:

Higher Wages. Janitors with current wages at the state minimum of \$6.85 an hour will receive an immediate increase to \$8.15. Janitors' pay will increase to \$8.35 an hour on January 1, 2009, and \$8.85 by January 1, 2010, \$9.80 by January 1, 2011.

More Hours. The new contract will increase work hours for janitors currently provided with only 4 hours of work a night to eight hours a shift in the first two and half years.

Quality, Affordable Health Insurance. Workers will receive individual health insurance at a cost of only \$20 per month. Family insurance will also be available for a cost of \$198 a month.

Paid Holidays and Vacation Time. The contract will allow workers paid time off from work. Janitors will receive six paid holidays per year and be able to accrue paid vacation time beginning the first year of the contract

Management proposal:

- Wage increase to \$7.05 without any subsequent increases.
- Five hours of work night as opposed to existing four hours.
- No employer-provided health insurance.
- Two paid holidays per year.

The management proposal was rejected by the general assembly of workers. The negotiations have been going on for several months. Meanwhile, the contract between the employers and the Union expired, and it is in everybody's best interests to come to an agreement and be able to sign a new contract.

This mediation meeting is organized by the employers who try to prevent a general strike. It is this meeting that is the basis of the simulation. The goal is for both sides to reassess their claims, and come up with new proposals with a view of signing a new mutually-beneficial contract.

All union members can attend the meeting, but they should nominate 5 representatives to speak on behalf of the Union. The employer will be represented by three individuals, one of whom they should appoint as chair of the meeting.