

## The Labor Mediator

You are a mediator and you have been called in to help settle a dispute. The owner and the union of a small manufacturing business need to come to an agreement on salary increases.

The union represents 31 workers and wants a raise in salaries for all of them. The owner of the company states that the average yearly salary for employees in the corporation is \$44,032.26. Based on this number, he is proposing that each worker receive a raise of \$1,000 per year. The union leader sees things very differently. She argues that the average yearly salary for an employee is only \$30,000, and is demanding that all workers get a raise of \$7,000 per year.

Number of people in each position	Position	Yearly salary per individual
1	President	\$300,000
1	Vice President	\$150,000
3	Directors	\$70,000
5	Consultants	\$40,000
6	Supervisors	\$30,000
5	Workers	\$25,000
10	Workers	\$20,000

The union leader and the management have rejected each others' offers and can't agree on a proposal. Therefore, as the mediators, it is up to your team to decide on a salary increase. But first you must answer several questions:

1) How did the company owners determine the average salary is \$44,032.26?

2) How did the union representatives determine the average salary is \$30,000?

3) As the mediators, your team needs to come to an agreement on what to do with this situation. Do you side with the owners' argument? Do you agree with the union representatives? Is there a better or more accurate method to determine what the average salary is and what the raise should be? Please defend your decision in writing, and include any/all calculations you will use.