

MANAGEMENT

Collective Bargaining Fact Sheet

A collective bargaining session is about to begin. You are the supervisors (management team) that will represent the Get-well Hospital, a publicly-owned hospital run by the government for the people in the city of Shanghai. You will be negotiating a collective bargaining agreement with the Solidarity Workers Union at the hospital. The Solidarity Workers Union represents 750 employees at Get-well Hospital, including nurses, certified nursing assistants (C.N.A.s), laboratory technicians (lab techs), radiology technicians (X-ray techs), pharmacy technicians, food service, and maintenance/housekeeping workers. The issues in this negotiation are:

1. Wages
2. Medical Benefits
3. Health and Safety
4. Seniority

Your goal is to negotiate the least costly wage and benefit package you can, for a **one-year contract**. You want to attract and retain the best employees, yet stay within Getwell Hospital's budget. The Head Administrator of the Get-well Hospital has instructed your management team to avoid spending over \$1 million RMB of new money on improvements in wages and benefits. At the same time, the Head Administrator wants you to reach a harmonious outcome with the union and avoid any disruptions to the hospital's services and excellent reputation.

Here's some background:

1. **Wages:** Wages will be the most important and expensive issue you negotiate. The average wage for an employee in the bargaining unit is 1000 RMB per month. You would like to hold wage increases to 3 percent, which you believe will keep pace with the "cost of living" (consumer price inflation). Each wage increase of 1% for 750 employees = 100,000 RMB cost to the Get-well Hospital budget. You would like to keep wage costs down so that you can add new money to other hospital expenses like new technology (equipment) and medicines. You could tell the union negotiators that higher wages might mean "laying off" some workers.
2. **Medical Benefits:** Get-well Hospital has provided health care services at no charge for all employees and their dependents on-site at the Hospital, or any other public (government) hospital around the nation. To do so, Get-well Hospital provides the union with an additional 2% of the total wages, (approximately 200,000 RMB) and the union uses this money to pay for the health care services needed by the workers and their families. Recently, Get-well management informed the union that the cost of providing these health care services is expected to increase 15% next year. You believe the workers should share some of this health care insurance burden, just like many other employees

have to in private businesses. Therefore, you propose to reduce the money provided to the union for their health care insurance program to 1.5% of the total wages (or approximately 150,000 RMB.

3. **Health and Safety:** Accidental “sharps” injuries from needles, surgical tools, and test tubes are a serious hazard for all hospital workers, from housekeepers to direct caregivers, both during and after use. There are more than 25 blood-borne diseases that workers can contract from exposure to sharp objects that contain body fluids or blood, including HIV and hepatitis. Hospital workers also suffer from back injuries and repetitive motion stress injuries. To reduce costly accidents at the hospital, management wants to:
 - Launch a Get-well Hospital Health and Safety Committee and select all the committee members.
 - Conduct annual health and safety training for new and old employees after work hours.
4. **Seniority:** The union is proposing that you use the Get-well Hospital bulletin boards to announce all job openings on day shift and night shift, so that any qualified employee can apply. ((Job openings are created by the hospital’s expansion, or by workers who retire, quit, get fired, or go on a leave of absence.) In addition, the union wants you to fill these job openings with the most senior (most years of employment) qualified employees before hiring from outside the hospital. You feel that your supervisors should continue to have the exclusive right to fill all job openings with workers from inside or outside the hospital, in order to staff the hospital with who you judge to be the most qualified workers. You do not believe that seniority should be an automatic qualification for a new job or shift assignment at the hospital.

