

Mediation in an interest dispute

Case - Garment factory Three Star

Facts of the case

The factory has 500 workers in production. It produces garments for several international brands

Working time is 8 hours. Saturday is 4 hours. Overtime is on the average 8 hours per week

Workers are start at the minimum wage of K450/hour for normal working time and K900/hour for overtime.

There is a system of higher payment for workers with longer experience:

| Seniority | Hourly wages | Overtime payment |
|---------------------------------------|--------------|------------------|
| less than one year (25 workers) | K 450 | K 900 |
| 1-5 years (250 workers) | K 500 | K 1000 |
| 5-10 years (175 workers) | K 525 | K 1050 |
| more than 10 years (50 workers) | K 600 | K 1200 |

After the increase of minimum wages in January 2018 to K 5000 per 8 hour day or K625 per hour, the employer proposed to pay this new wage to everyone disregarding seniority. Overtime payment was set at 1250 for all.

The labour union in the enterprise did not accept that seniority payments would disappear. They pointed to higher productivity for the more experienced workers. Also the experienced workers were more flexible, and could fill more jobs in case of sickness absence from work.

The filling of several jobs had been discussed in the enterprise for some time in the form of rotation between different processes, so that repetitive strain injuries would be lessened.

Another ongoing discussion was a demand from the labour union for more "gate passes" per month to be used if a worker needed or wanted to avoid overtime.

Finally it is a complicating factor that one of the international brands has put pressure on its suppliers to maintain working conditions, including work environment of a certain standard

The issue of the wage changes was discussed in the WCC, but no agreement could be reached.

Considerations

1. Do you find sufficient argument for maintaining the existing seniority based differences in wage levels when the basis is changed with an increase of minimum wage?
2. Is it possible to ensure a productivity gain to offset the cost of higher minimum wage plus seniority?
3. Is it relevant to include issues in a solution, which may not have been part of the original negotiations in the enterprise?

Question:

How can the bi-partite committee find a conciliation in this case?

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Stakeholders

Define the Stakeholders, how can they influence the case.

| Stakeholders on your side | How can they influence the result |
|---------------------------|-----------------------------------|
| | |
| | |
| | |

From who do you need a mandate?

| Stakeholders on their side | How can they influence the result |
|----------------------------|-----------------------------------|
| | |
| | |
| | |

| External Stakeholders | How can they influence the result |
|-----------------------|-----------------------------------|
| | |
| | |

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Your demands

Your main demands

Which of the demands are the most important for you?

- 1.
- 2.
- 3.

What are the facts behind the the demands ?

What will it cost to meet the demands?

Are there other ways to meet the damands, which is agreeable to your opponent?

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Best alternatives

Prepare for negotiation - spend some time on this.

What can you live with if you do not get your primary result?

Is there another result, which will satisfy your stakeholders?

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Put yourself in your opposing party's position

What is your opposing party's position

Why is this your opposing party's position?

- Interest of their stakeholders?
- How do they see what happened?

What is your opposing party's basic interest - what do they want to achieve?

What is your opposing party's Best Alternative? -

- What can they live with?
- What will they do if they do not achieve their goal?
- Is there a completely different result which will satisfy them?

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For Conciliator

Finding solutions

Looking at the primary target and best alternatives of the two parties, find 5 different solutions that meets the interest of at least one of the parties without contradicting the other parties' interests

| Employers | Solution | Trade Unions |
|-----------|----------|--------------|
| 1. | | |
| 2. | | |
| 3. | | |