### Case 2.1

# Myanmar Solamoda Garment Factory workers case

Myanmar Solamoda Garment Factory has all together 1,001 workers: 57 males and 944 females.

The workers approached the employer with the following demands:

1. Introduction of a skills bonus program in order for the workers to increase their salary.   
   In connection with this bonus program workers demand there should be no reduction in the bonus if the employee is absent.
2. Payment of a fixed amount of salary when production targets are met.   
   The current company policy is that the management is obligated to pay a bonus when production targets are met. However, the actual bonus amount paid is decided by the management.
3. Increase of the salary for maintenance mechanics.  
   The mechanics maintain the production machinery. They are paid 15% less salary compared to the garment production workers. The mechanic’s salary has not been increased for the last 5 years. The reason for this is that the management considers the garment (production) workers to be of more value for the core production.

Considerations for the negotiations – both for the employer and **employee**

1. Define the criteria on which the system for skills bonus should be based? Is it reasonable that the there is a reduction in the bonus in case of absence?
2. What are the consequences of the present scheme (when it is up to the management alone to determine the bonus?) How should the amount be fixed?
3. Prepare the arguments for increasing/ rejecting an increase of the mechanics’ salary.

## How can the conciliator find a negotiated soklution in this case?