**The Negotiator**

You are the negotiator who has been called in to help the owners and the union of a manufacturing corporation come to an agreement on salary increases.

The union represents 59 workers and wants a raise in salary for all of them.

The owner of the company states that the average yearly salary for employees in the corporation is $28,846.15. She took a look at the inflation rate in Canada for 2014, and when she saw that it was 1.91%, she proposed that each worker receive a raise of $2,600 per year. She thinks she is being reasonable, and in fact a little generous.

The union leader sees things very differently. She argues that the average yearly salary for an employee is only $18,000. The union leader points out that a single person living in Canada that makes less than $18,421 is considered to be living BELOW the poverty line. Furthermore, most people that work for this company are supporting a family, and if you support 3 people with one salary, you’re considered to be living below the poverty line if you make less than $27,918. The union leader is demanding that all workers get a raise of $7,000 per year. She thinks she is being very reasonable.

The manufacturing company employs a variety of people, and has a variety of positions available.

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| --- | --- | --- | --- |
| **Number of People in Each Position** | **Position** | **Annual Salary per Individual Employee ($)** | **Total Salary per Position ($)** |
| 1 | President | 200,000 | 200,000 |
| 3 | Vice Presidents | 100,000 | 300,000 |
| 5 | Managers | 50,000 | 250,000 |
| 10 | Supervisors | 30,000 | 300,000 |
| 11 | Workers | 28,000 | 308,000 |
| 20 | Workers | 20,000 | 400,000 |
| 22 | Workers | 18,000 | 396,000 |
| 6 | Migrant Workers | 16,000 | 96,000 |
|  |  | **Total** | **2,250,000** |

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

1. How did the manufacturing company determine the average salary is $28,846.15?  
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2. How did the union representatives determine the average salary is $18,000?
3. As the negotiators, 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? Or do you think there is 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.

**BONUS:**

Your negotiation team would like to see a visual representation of the salaries in the manufacturing corporation. Turn the data from the table into 1 or 2 graphs that accurately represent the information.