

## George A.



**Brand:** Mehta Solutions

**Product Code:** case280

**Weight:** 0.00kg

**Price: Rs500**

### Short Description

George A.

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## **George A. CAST STUDY solution**

**Read the following Case carefully and answer the questions given at the end.**

George A. Hormel & Company has many meat packing plants in the US and one of these plants is located at Austin, Minnesota. During the mid 1980s, the company was faced with a decreasing demand for its products. It became necessary to cut the costs of operations in order to remain in business and be competitive. To keep its costs down, the management of the company cut the base wages of its union employees. This was done arbitrarily and without consulting or negotiating with the union representatives. Even though the dispute between the union and the management had been simmering for a long time at the plant in Austin, it culminated in a strike led by the union in August 1985.

An arbitrator was appointed to act as mediator and due to his recommendation; some of the cuts in wages were restored. The management offered to restore the balance of the cuts at the time when the previous labour contract would expire and a new contract would be signed. The new contract was signed by all the unions at all other Hormel plants, except the one in Austin, and hence the strike. Because of the worker's strike, the plant was shut down.

The plant remained closed for nearly five months. The strike had not yet been settled when the management at the Austin plant decided to reopen the plant, and accordingly, some union members returned to work. Many other workers refused to return to work and formed a picket line and the local union urged its members not to cross the picket line. The management started to hire new workers to replace those who were on strike. There was conflict between the employees and the workers on strike, so much so that at one time, there was a danger of physical violence and local police had to be called in to restrain the workers who were on strike.

The local union sent some of its members to picket other Hormel plants and asked the union members at these other plants to honour the picket lines and not report for work. About a week after the Austin plant was reopened, the central management fired hundreds of their workers at plants in Texas, Iowa and Nebraska for refusing to cross the picket lines and refusing to report for work. This step was significant because picket lines at the other plants were not set up by the local employees but by the striking employees at the plant in Austin.

The strike at the plant in Austin went into ninth month. Tempers flared and violence erupted and in May 1986 hundreds of strikers fought with police outside the Austin plant. The parent union, United Food and Commercial Workers union also disagreed with the striking workers prompted by the local union, considering the economic slowdown and conditions in the industry. The President of the parent union decided to take over the operations of the local union and started proceedings to appoint a new union leadership at this plant. He believed that the conflict had gone too far and he hoped that with these changes, the strike would be over and the workers could go back to work.

**Questions:**

Q1. Who were the winners and who were the losers in this conflict?

Q2. Is the conflict between union and management inevitable? What preventive steps can be taken to avoid the possibility of worker strike? Explain your viewpoints.

Q3. If you were hired as a mediator, after the union went on strike, what step would you recommend in order to minimize the negative impact of this conflict?

## **Details**

**1. Case study solved answers**

**2. pdf/word in 24-48 hrs**

**3. Fully Solved with answers**