

Mediating a work conflict

We have this information concerning wages at a fictional company:

Number of people in each position	Position	Yearly individual salary	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	Workers	\$16,000	\$96,000

The union leader, who represents the 59 workers of the company, claims the average yearly salary is \$18,000 and suggests all workers get a raise of \$7,000 a year. How did the union leader obtain such an “average”?

The company owners claim the average yearly salary in the company is \$28,846. They propose each worker receive a raise of \$1,000 a year. How did the company owners obtain this “average”?