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STATE OF MICHIGAN
MICHIGAN EMPLOYMENT RELATIONS COMMISSION
FACT FINDING REPORT

BOARD OF TRUSTEES FOR
PONTIAC GENERAL HOSPITAL

December 18, 1987

and

Fact Finding Case No. D87-D-823

PONTIAC GENERAL HOSPITAL
MEDICAL TECHNOLOGISTS ASSOCIATION

Ruth E. Kahn 12-18-87

This Fact Finding proceeding was instituted after application by the Pontiac General Hospital Medical Technologists Association in May 1987. The proceeding has been conducted pursuant to Section 25 of Act 176 of Public Acts of 1939, as amended, and the Commission's Regulations. Appointment of the Fact Finder was made by the Commission on July 20, 1987.

The Association bargaining unit consists of these jobs: Medical Technologists (II, III, IV); Histotech and Histotech Supervisor; Cytotech; Microbiologist; Biochemist. According to the Association's brief, there are forty-nine members.

The Association's application for Fact Finding contained ten economic issues and three non-economic issues which the parties had been unable to resolve through their collective bargaining efforts. Since the time of the application, the parties have been able to resolve all but four matters, all economic. (The Hospital is undertaking reorganization to become a private, non-profit institution. This would require a change in its retirement system. Accordingly, the parties have agreed to a reopener on the retirement plan in recognition of this anticipated occurrence.)

The economic issues which are the subject of this Report are:

Pontiac General Hospital

- I. Wages
- II. Wage adjustments for certain specified job positions.
(The parties refer to this issue as "Consolidation of Salary Schedule".)
- III. Shift differential.
- IV. Sick time reimbursement.

I. WAGES

Wage demands/offers are for the first two years of the Agreement, the year commencing January 1, 1987, and the year commencing January 1, 1988. It is agreed that any wage increase for the first year would be retroactive to January 1, 1987. It is further agreed that the Agreement will contain a wage reopener for the third year of its duration.

The Union seeks:

- Year 1 - five percent increase, across the board.
- Year 2 - five percent increase, across the board.

The Employer offers:

- Year 1 - three percent, across the board.
- Year 2 - three percent, across the board.

The Union presents this argument with respect to its wage demands. It asserts that in the past years, this bargaining unit has fallen behind. The reason, at times, was said to be that the Hospital was putting up a new building, placing into effect the DRG's, that its timing was bad because this bargaining unit had to follow the pattern set by others in the Hospital. The Association notes the Hospital increased the wages of its Registered Nurses by five percent in 1987. It believes its members' professional requirements are on a par with those of nursing and that consideration, along with its asserted deterioration of compensation, compels parity of wage treatment with the Nurses.

The Employer maintains that the pattern of wage increases nationally is running around two and one-half to three percent. It insists that Nurses present an entirely distinct situation: the serious, widespread shortage of nursing personnel demands that this Hospital be able to compete with other providers for the pool of nurses available. It urges that its wage for Nurses is pegged to the area's pattern. The Employer maintains that no comparable market factor operates with respect to members of this bargaining unit.

Discussion. The general principle can be stated that the amount of a wage increase will depend on a number of factors: the employer's ability to pay, the rate of inflation, relative bargaining power, economic considerations, both national, regional, and those pertaining to the particular industry. With this general statement of relevant considerations, this report will examine the competing positions with respect to a wage increase for this bargaining unit.

First, the Union's contention that it is "falling behind". Over time the pay scale for this unit has not kept up with cost of living increases. Based upon information taken from the Association's exhibit number 2, (not challenged by the Employer) a calculation was made to determine the relationship between wage and cost of living movement. The results of that calculation establish that during the period between 1976 and 1985, purchasing power of these members has fallen by sixteen percent. That is not an insignificant amount; it merits attention.

A salary survey of wages paid to Technologists by Hospitals in Oakland County reveals these comparisons of the average hourly wage midpoint for jobs covered in the survey:

<u>Job Title</u>	<u>Pontiac General Hospital</u>	<u>Other Hospitals</u>
Medical		
Technologist II	\$10.59	\$ 9.69
Medical		
Technologist III	\$11.39	\$11.84
Medical		
Technologist IV	\$12.63	\$13.56
Histotech	\$ 9.88	\$10.97
Cytotech	\$11.02	\$11.99
Microbiologist	\$14.87	\$13.01
Biochemist	\$14.87	\$18.86

No figures are provided for Histotech Supervisors. The figures for Pontiac General Hospital are, of course, pre-1987 contract rates. The other Oakland County hospital wages may reflect 1987 increases in some if not all situations.

This comparison reveals that average wages of the Pontiac General Hospital's Technologists' bargaining unit, in at least five categories, are below the pattern in Oakland County.

The Union's demand for an increase matching that given to the Nurses, namely five percent, is based upon its assertion that the training required is the same, in terms of schooling. That argument, while possibly accurate, ignores the economic reality of the market place. In the case of Nurses, the market

laws of supply and demand have become paramount. Perhaps because of years of underpayment along with other perceived negatives in the profession, the influx of new nurses has not kept pace with demand for nurses. Consequently, a well-publicized shortage has developed. The nature of their work permits nurses to have quick mobility. They carry their credentials with them. It is believed a nurse can be quickly assimilated into a new hospital's working force. Hence, an employment opportunity which offers higher wages threatens the employer paying less with the loss of its nursing personnel. If the 1987 community pattern was a five percent increase for nurses, this Hospital must do likewise. No such imperative has been shown for the Technologists.

The circumstance that the general pattern of wage increases throughout the United States is running around two and one-half to three percent is asserted by the Employer as persuasive basis for a like settlement for this unit. It also notes that the wage increases for the other employees at this Hospital have been not more than three percent. As noted earlier, such patterns are but one of the many criteria applicable in arriving at an equitable wage adjustment.

Recommendation. Based upon the considerations that 1) wages for this bargaining unit have eroded by sixteen percent and, 2) in five of the seven compared classifications, average wages for this bargaining unit are below those in Oakland County, I recommend a wage increase of four percent for the first year of the Agreement, and three percent for the second.

II. WAGE ADJUSTMENTS FOR CERTAIN JOB POSITIONS

The parties couch this issue in terms of "consolidation of the salary schedule". The Employer properly views the matter as encompassing two distinct areas: wage adjustments to certain jobs, and a longevity allowance.

The Association proposes these changes:

1. The Histotech be paid the same as the Medical Technologist II (and Radio Immune Tech).
2. The Histotech Supervisor be moved to Medical Technologist IV.
3. After ten years' service, the Medical Technologist II (and Radio Immune Tech personnel) be placed at the Medical Technologist III wage rate.
4. After ten years' service, the Medical Technologist III be paid a fifty-cent-per-hour longevity allowance.

The Employer proposes these specific wages adjustments, to be effective with the first payroll period following ratification of the Agreement:

Twenty-five cents per hour increase for:

Histotech
Cytotech
Medical Technologist III

The Association argues for reclassifying the Histotech with the Medical Technologist II. The Histotech midpoint wage is now seventy-one cents beneath the Medical Technologist II. The Hospital's Chief Technologist W. Harris testified to the Fact Finder that the Histotech does not perform the breadth of work required of a Medical Technologist, and that is the basic reason for the former's lower rate. The Union contends the educational requirements are the same and that factor should require the same pay treatment.

The Union's argument overlooks the consideration that duties and responsibilities, as well as training, are a major criteria in setting a rate. Jobs that are more repetitive, that are narrower in scope, as a general rule, will be less valued than a job with broader demands. The circumstance that there are several Medical Technologist classifications in this bargaining unit supports the conclusion that this is an assignment with opportunities for increased skill and responsibilities. That is not shown to be the case for the Histotech, apart, of course, from a position for a leader.

Recommendation. The Facter Finder recommends adoption of the Employer's twenty-five cent per hour increase for Histotech, Cytotech, and Medical Technologist III. The effective date should be January 1, 1987, and not as the Employer proposed, prospective upon ratification. The Association demand that the Histotech Supervisor be moved to the Medical Technologist IV classification is rejected on the same rationale as stated for the Histotech. It is recommended that the Histotech Supervisor receive the twenty-five cent per hour increase given to the Histotech. (The information contained in briefs and exhibits does not say where the Histotech Supervisor is currently classified).

The reclassification of Medical Technologist II to Medical Technologist III after ten years' service is rejected. Reclassification based upon years of service alone is not supported by any persuasive evidence on this record. Rather the existence of higher Medical Technologist classifications, above II, carries

the inference of higher levels of skill, higher levels of responsibilities. The III rating is a job-related classification. Years of service alone are not shown to be a valid basis for reclassification.

The fifty-cent per hour longevity allowance for Medical Technologist III's is not supported by any persuasive reasons presented to this Fact Finder. It is not recommended.

III. SHIFT DIFFERENTIALS

The Hospital pays a shift differential of seventy-five cents per hour and proposes to retain this amount. The Association seeks a ten percent differential. It asserts a parity argument, seeking the same differential as that paid to Nurses. (According to the exhibits submitted, Nurses are paid a ten percent shift differential, with a cap of \$1.35).

The seventy-five cent shift allowance has been in effect since 1975. Its value has diminished as a result of increased living costs. Further, the seventy-five cents represents a much lower percent in relation to wages than it did when it was first enacted.

Looking at comparisons with other Hospitals in Oakland County, the data presented for three show these rates: 75 cents, \$1.18 and \$1.26.

Recommendation. The shift differential be increased to ninety cents per hour, effective January 1, 1988.

IV. SICK TIME REIMBURSEMENT

In 1985 the parties negotiated a plan which permitted cash-out of sixty percent of employees' unused sick days. The Association seeks in this proceeding a recommendation of 100 percent sick time reimbursement; the Hospital opposes any change.

The Union seeks parity with the Nurses who have a 100 percent plan currently, and did in 1985. It notes that three other hospitals in Oakland County also provide 100 percent for their comparable employees.

Recommendation. In view of the circumstance that this is a relatively recently-bargained-for benefit, it would seem premature to improve it without more experience as to its value. The Association's proposal is not recommended.

A handwritten signature in cursive script, reading "Ruth E. Kahn". The signature is written in dark ink and is positioned above a horizontal line.

RUTH E. KAHN, Fact Finder