

Questions for Company Salaries

Salaries

The head of the employees' union at the Reyes Manufacturing Company and some employees' representatives were negotiating with Mr. Reyes, president of the company.

The head of the union, Ms. Ortiz: *The cost of living is going up. Our workers need more money. No one in our union earns more than \$18,000 a year.*

Mr. Reyes: *It's true that costs are going up. It's the same for us. Besides the average salary in our company is almost \$23,000. I don't see how we can afford a wage increase at this time.*

A sales clerk, Mrs. Smith: *We sales clerks make only \$10,000 a year. Most workers in this union make \$15,000. We want our pay increased to at least that level.*

The union official decided to take a careful look at the salary distribution for the company. The payroll department provided her with the salary information in the table below.

Type of Job	Number Employed	Salary	Union Member?
President	1	\$250,000	No
Vice-president	1	\$130,000	No
Plant Manager	2	\$55,000	No
Supervisor	6	\$18,000	Yes
Worker	12	\$15,000	Yes
Payroll Clerk	4	\$13,500	Yes
Secretary	5	\$12,000	Yes
Sales Clerk	11	\$10,000	Yes
Custodian	3	\$8,000	Yes
Total	45		

- Consider the salaries of all employees. What is the mean of their salaries? mode? median? Which measure of central tendency do you think accurately represents the typical salary of the employees? Explain.
- If the salaries for just union members are counted, what is the mean? mode? median? Which measure of central tendency do you think accurately represents the typical salary of union workers? Explain.
- Compare the two sets of measures. Which stayed the same? Which changed? Why?
- Which measure of central tendency did Mr. Reyes use as his "average" salary at the company?
- Which measure of central tendency did Mrs. Smith use when she said most workers make \$15,000 at the company?
- Which measurement do you think best describes the typical salary in this company? Why?