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San Francisco Hotels, Union Reach Agreement

Hotel Business

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San Francisco - The San Francisco Hotel Multi-Employer Group and Local 2 of the Hotel Workers and Restaurant Workers union here have agreed upon what many are calling a ground-breaking union contract.

Along with a schedule of pay increases, key provisions in the five-year agreement, which took three months of collective bargaining to pound out, will make the hotel industry here only the second regional service-industry entity to use cooperative labor/management teams.

The teams install professional facilitators at each of the employer group's hotels to consider operational issues for properties. Although this process is commonly used in manufacturing industries, its use has been very limited in the service sector.

Aside from the cooperative arrangement, the tentative agreement represents a "different settlement," according to chief hotel employer group negotiator, Stuart Korshak, because it is a living contract.

That means the union and the hotels will continue to meet throughout the contract term and make changes on an ongoing basis, both on a multi-group basis and at individual hotels.

"The living contract notion that is the heart of the new agreement will allow the parties to continue working for change and to establish a real partnership over the next five years and beyond," he said.

Grievance Mediation

Another new provision has been made for grievance mediation. Both parties agreed to use impartial mediators and other mechanisms designed to make the grievance system less adversarial, quicker and better able to effectively solve problems than the current arbitration set-up.

Another key provision features an agreement by the hotels to not subcontract food and beverage outlets to non-union vendors, and to provide severance and retraining to workers if a hotel is sold and the new owner refuses to hire the workforce.

Implementation of the agreement will begin with three pilot projects that will be installed at individual hotels and then rolled out on a broad basis. The first project is to improve the performance and efficiency of the kitchen by more clearly defining jobs. The second would do

the same for restaurants. The third would improve efficiency in the room attendant area by allowing attendants to buy and sell rooms.

Korshak said the benefit portions of the new agreement indicate a new form of social compact between the hotels and the employees and their unions. In addition to receiving improved dental benefits and pension increases, employees will be able to create a new child care/elder care program, and the hotels have committed to funding an employee training program for two years.

The agreement also contains a few progressive health insurance provisions. Taking advantage of health insurance fund surpluses, the agreement will supply hotels with reductions in their insurance contributions for the next two years, \$80 per person, per month in the first year and \$70 per person, per month in the second year.