

Guided Reading Activity

Labor and Wages

Lesson 2 *Wages and Labor Disputes*

Review Questions

Directions: Read each main idea and answer the questions below. Refer to your textbook as you write the answers.

A. Wage Determination

Main Idea: Most occupations have a wage rate, a standard amount of pay given for work performed. Wage rates usually differ from one occupation to the next, and sometimes even within the same occupation.

1. What are the four broad categories of labor described, in order from lowest to highest paying?

2. What is the market theory of wage determination?

3. How can one union worker receive higher wages than another union worker with similar skills who performs the same services?

4. According to signaling theory, what types of qualifications indicate superior knowledge or ability?

Guided Reading Activity *cont.*

Labor and Wages

B. Resolving Labor Disputes

Main Idea: When organized labor negotiates with management, disputes are bound to happen. Both sides can use collective bargaining to minimize such disputes. If this fails, they can turn to mediation, arbitration, fact-finding, injunction, seizure or, in extreme cases, presidential intervention.

1. Which two parties take part in collective bargaining?

2. What is the difference between mediation and arbitration?

3. What does a fact-finder do?

4. What method did Major League baseball players use against owners to start the 1995 season?

5. Who takes over business operations in the case of a seizure?

6. Describe two examples of presidential intervention.

Guided Reading Activity *cont.*

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Summary and Reflection

Directions: Summarize the main ideas of this lesson by answering the question below.

Of all the methods of resolving labor disputes, which ones could lead to higher wages for workers?
