

## Hutchison Group Assists GE and Haier Successfully Negotiate New Competitive Labor Agreements

### National Unions Agree to Significant Labor Cost Reductions and Productivity Improvements

February 2017 - I am very pleased to announce that Hutchison Group was retained by General Electric Appliances and China based Haier in early 2016, following Haier's acquisition of GE Appliances (\$5.4 billion deal) based in Louisville, KY, to help management prepare for and negotiate new competitive labor agreements with the company's national unions

Following several months of careful planning and diligent negotiations, that finally settled in February 2017, the unions have ratified new labor agreements that will significantly improve the company's ability to compete in the US appliance marketplace. Highlights of these agreements include:

- Replaced defined benefit pension with company funded 401k plan
- Eliminated costly retiree medical plans
- Established more flexible and productive work practices
- Reduced entry level pay rates for new hires
- Increased employee healthcare cost sharing
- Eliminated costly subcontracting restrictions
- Limited use of compounding general increases
- Removed prior contract obligations for COLA payments
- Reduced night shift pay differential for new hires
- Overtime now paid after 40 hours worked per week (vs after 8 hours per day)
- No restrictions on future movement of work and solid no strike clause



*"Hutchison Group did fantastic work, and we appreciate their support through the entire process."*

*GE Appliances*

It was a long year, but the tough issues addressed during these negotiations will go a long way toward improving GE's competitiveness; creating a good future for both the company and their employees.



*The Hutchison Group is a highly regarded management consulting firm focused on all aspects of labor relations. We specialize in developing and implementing innovative labor cost strategies during acquisitions, mergers, divestitures, and business restructuring; and offer a broad range of other services designed to help reduce costs, improve productivity, and increase organizational effectiveness .*

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