

Are unions the future? MIT professor explains expectations for fair workplaces and what it means for retailers

Article

Tom Kochan

Professor at the MIT Sloan School of Management and author of “Shaping the Future of Work: A Handbook for Action and a New Social Contract”



Amazon. Starbucks. Apple. These are just a few of the retailers where employees have unionized in recent months. With an uncertain economic future, will more retailers face similar efforts? Insider Intelligence spoke with Tom Kochan, professor at the MIT Sloan School of Management and author of “Shaping the Future of Work: A Handbook for Action and a New Social Contract,” about the trend and its implications for retailers.

Insider Intelligence: Why has unionization increased in the past year?

Tom Kochan: This is a long time coming. We did national workplace surveys in 2017 and 2018 and we saw a pent-up interest in joining unions and people wanting to have a greater voice at work. In earlier surveys, interest in joining a union was stable at about one-third of the eligible voters. This number shot up to 48% in 2017.

The majority of workers have less of a voice on wages, hours, working conditions, technology, training, values of the company, and ability to resolve problems successfully. Then the pandemic comes along and people are under so much stress and employees are called essential workers, especially those in retail who had to be in all the grocery stores and other service operations.

After that experience, individuals had much higher expectations for what a fair workplace ought to be and what they expect. We're seeing all these factors come together and explode in the last year or so. Tight labor markets and the shortage of workers has accelerated that because employees feel they have a bit more power. Overall, this pent-up experience of not having a voice and seeing wages stagnate has been accumulating over the years, causing the current trends.

II: What should retailers do now to address the concerns that often lead to unionization?

TK: The most critical thing is to listen and treat the workforce with respect, allowing employees to shape how they come back to work. Having a dialogue with the larger team, managers and supervisors need to collaborate on how much flexibility they can provide their employees while still meeting company quotas. Companies need to listen to their employees and recognize that people have changed expectations and leaders need to arrange ways to meet these expectations and still have a productive, innovative, and successful workplace.

Employers need to get engaged with the issue. Retailers don't need to react in the knee-jerk way of opposing unions under all conditions. Instead, companies need to ask themselves how they are going to respect worker's right to organize and shape the relationship in a way that works for the business and the employees.

II: What does the future of unionization look like? Will rates keep rising?

TK: As an academic, you always say, "It all depends." First of all, it depends on the extent to which workers continue to engage in visible collective action. If the Amazon, REI, Apple, and Starbucks employees continue to try to organize, then rates of unionization will keep increasing across the board.

The second necessary condition for the current trend to not lose traction is that the labor movement needs to learn from the people who are organizing. Employees don't want to have another big bureaucratic union coming in. People want to have more of a voice and they want to have it on a range of issues that are relevant to today's workforce, not to the workforce of the past.

The third condition is that the public has to stay engaged. The current rates of unionization have increased as a result of an enormous amount of publicity and the number of social media, newspaper, TV, and radio inquiries that are growing. Some recent polls from CNBC show over 60% of the American public supports the idea that workers should be organizing.

II: When have we observed similar shifts toward unionization?

TK: In the US, the biggest comparison would be way back in 1933 and 1934. There were a tremendous number of strikes coming out just as the Depression was ending, and workers were feeling that they were in bad shape. We saw a strike wave that led to the passage of the National Labor Relations Act, providing collective bargaining rights.

The second shift toward unionization happened in the public sector. Up until the 1960s, government workers, teachers, police, firefighters, and state government employees didn't have the right to collective bargaining. There was a lot of unrest in the '60s starting with teachers, but then branching out to other groups. The same growth of activism and then the passage of laws allowed employees to engage in collective bargaining—those two time periods in the United States are about the closest comparisons.