

Why retailers like Apple, Amazon, and Starbucks are taking strong anti-union stands

Article

The trend: Retail companies are taking increasingly aggressive steps to combat the burgeoning US labor movement.

More on this: In addition to tried-and-true techniques such as captive audience meetings in which employers or consultants discourage employees from unionizing, companies are leveraging other, more forceful approaches, which include:

- **Starbucks** said it will give **sizable raises to nonunion workers—but not workers at the more than 60 stores that have already unionized.**
- The coffee chain also reportedly **cut the hours** of some workers who petitioned to hold a union election, and **fired others**, according to the National Labor Relations Board (NLRB).
- **Amazon** recently **fired two employees involved in the organizing effort** at a Staten Island warehouse, where workers last month voted to join a union, according to CNBC.
- **It has also** reportedly **surveilled employees** and even changed a traffic signal to prevent organizers from approaching warehouse workers when they left the facility, per The New York Times.
- **Apple** is circulating anti-union talking points to store managers that **warn employees that they could lose career opportunities, the ability to take time off for personal reasons, and merit-based promotions** if they vote to unionize, according to Vice.

A growing movement: US workers and labor groups filed **57% more petitions seeking union representation** between October 2021 and March compared with the same period a year earlier—a rate that puts it on pace for the highest total requests in 10 years, per the NLRB. At the same time, unfair labor practice charges increased 14%.

- That activism poses a threat because strong unions push for higher wages and benefits, increasing retailers' costs. On average, a **unionized worker earns 13.2% more than a peer with similar education, occupation, and experience** in a nonunionized workplace in the same sector, according to the Economic Policy Institute (EPI).
- **Union workers are also more likely to have access to paid sick days and health insurance.**

Worth the fight? There's a simple cost-benefit equation to fighting unions; employers spend about **\$340 million a year on consultants to prevent union elections** in efforts to save billions, per EPI.

- For example, Amazon, which has more than 750,000 hourly US employees, spent at least \$4.3 million on consultants, according to Marketplace. That's roughly equivalent to \$5.73 per

employee, which is not even a rounding error given Amazon’s roughly \$470 billion in revenues last year.

- With US consumers cutting back on discretionary spending due to inflation, it’s increasingly important for companies to protect their bottom lines—particularly retailers, which tend to have low profit margins.

The big takeaway: Perhaps the biggest potential cost to companies’ anti-union stance is to their carefully crafted brand reputation.

- There’s clear dissonance when a company like Starbucks, which regularly seeks to demonstrate its progressive values, takes a strong anti-union stance.
- Companies need to ensure their focus on the bottom line doesn’t come at the expense of their brand image.

Reasons Internet Users Worldwide Would Avoid a Brand, by Demographic, July 2021

% of respondents in each group

	Gender		Age				
	Female	Male	Gen Z (18-24)	Millennials (25-40)	Gen X (41-56)	Baby boomers (57-75)	Seniors (76+)
Poor product experience	81%	78%	80%	85%	85%	87%	84%
Bad personal experience	80%	78%	79%	84%	85%	87%	88%
Poor pricing	75%	73%	73%	78%	82%	85%	83%
Bad friend/family experience	68%	66%	71%	74%	74%	66%	60%
Poor brand reputation	66%	63%	72%	70%	69%	63%	58%
Negative social reviews	65%	57%	73%	74%	62%	47%	39%
Negative treatment/statement concerning diverse communities	51%	45%	62%	57%	49%	34%	30%
Not having a product that is inclusive/easily used by people of different abilities	43%	38%	54%	48%	41%	27%	19%
Lack of diverse marketing and advertising	37%	35%	54%	42%	34%	22%	12%

Source: Alida, "2021 Global Trends Report: Customer Experience," Oct 18, 2021

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