

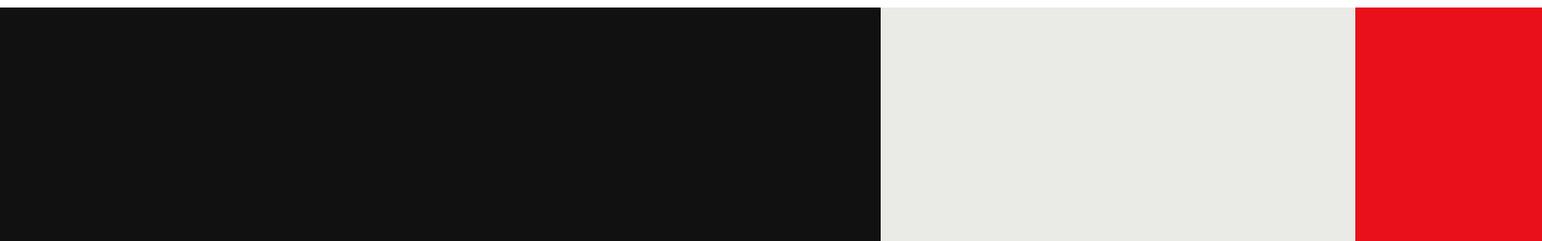
Unions are making a comeback, and brands need to take note

Article



The trend: Labor movements are gaining momentum, with workers at some of the most prominent brands, including **Amazon, Apple, and REI**, seeking to form unions.

More on this: Driven by stagnating wages and soaring inflation, and feeling empowered by a **tight labor market**, workers are organizing to push their employers to boost pay, expand benefits, and improve working conditions.



- Employees at several US Apple stores are quietly working to unionize, **per** The Washington Post.
- **Amazon workers** at a New York warehouse will vote on unionization in March, while those at an Alabama warehouse are **voting by mail in a second** union election.
- Employees at an **REI store** in Manhattan **filed** to form a union.
- Workers at **Raven Software**, a division of **Activision Blizzard**, **formed a union** last month.
- **Google** employees **formed a union** a year ago but did not certify it with the National Labor Relations Board (NLRB).

Success breeds success. Many of the unionization campaigns have been inspired by **two successful efforts** at **Starbucks**-owned stores. Employees at roughly 1 in every 100 corporate-owned US Starbucks locations have announced a public union drive, **per** Restaurant Dive.

Why it matters: Unionization efforts can remove some of the sheen from a brand’s carefully crafted image.

- REI cultivates a progressive image, stating on its **website** that it believes in “putting purpose before profits.” But when workers complained of insufficient wages, limited access to benefits, and unsafe working conditions, the CEO and chief diversity and social impact officer attempted to allay their concerns by recording a **podcast**, which generated sharp **blowback**.
- Similarly, Starbucks funds social issues such as **chronic homelessness**, but it has faced accusations that workers endure **unsafe conditions** and that it **fired union organizers**.

These developments can turn off consumers who are increasingly focused on voting with their pocketbooks; two-thirds of US consumers said their **social values shape their purchase decisions**, per an October survey by McKinsey & Company.

The big takeaway: There’s little sign that the conditions driving the current labor movement will cease anytime soon. Nor is there any indication that consumers’ social consciousness is on the decline.

- At the same time that the labor movement is growing, **executive pay** at many of these companies continues to rise.
- Pressure is mounting on employers to ensure that they’re providing benefits and working environments that meet employee expectations.

- The potential hit to a brand's image—both in terms of negative PR and low worker morale—could be more costly than improving the conditions that drove the labor movement.