



## **"Hello; I'm From The Union And I'm Here To Help You."**

Insights

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This is a message to our clients who have union-free operations. We assume that you operate non-union for a reason, and that you work hard to ensure that you preserve and maintain your non-union status. In case you needed one, here is just one more reason that remaining non-union gives you an edge in managing your operation.

### **Unions To Conventioneers: "Stay Out If You Know What's Good For You"**

The San Francisco Convention and Visitors Bureau recently expelled Unite Here Local 2 from its membership rolls. Unite Here Local 2 is engaged in a dispute with the major San Francisco hotels and has been working under an expired contract for almost two years. Rather than striking any of the hotels, the union has engaged in periodic limited work stoppages at a number of major properties in San Francisco.

Additionally, the union has obtained the names of conventions and events planning to come to San Francisco and has contacted the meeting and event planners to "warn" them that there could be union job actions if they book events in San Francisco before the hotel has reached an agreement on a contract with the union. Such communications are obviously designed to encourage major events and conventions to go elsewhere; it would be an understatement to suggest that such actions do not promote the Bay Area and its hospitality industry as a desirable location for business conferences and as a tourist destination.

What is the union's reaction to the economic pain it is inflicting on the employers and the entire San Francisco Bay Region? The union president, Mike Casey, essentially said he didn't care and planned further boycotts, even though the union's actions had cost the Bay Area hospitality employers (and union members) \$5.5 million dollars in March, 2010. His conclusion: "Ultimately (the hotels) will settle with us because (our fight) costs them more money. The last thing we're going to do is let the pressure off the corporations. If anything, we're escalating. We added another boycott last week."

### **The Union Is Not A Reliable Business Partner**

Is it possible to be astonished but not surprised? We trust that the union's statement does not come as a complete shock to any of our clients. This rhetoric and behavior is hardly unique to Local 2. Unions frequently use the stick of employer pain and loss to achieve their ends. Focusing on the carrot, unions also frequently make promises about the increased business that they can obtain for a

carrot, unions also frequently make promises about the increased business that they can obtain for a property if it were to be a union property. We won't say that unions have never generated business for a hotel. But we contend that unions have cost employers far more than they have contributed to an employer's bottom line. And unions are certainly more known for their use of the stick than for the carrot.

Nor are the employers' bottom lines the only casualty of disputes between unions and employers. These tactics regularly hurt employees as well as the employers. Looking at the San Francisco situation, a property that is only partially full will need much less labor help in terms of servers, maids, bartenders and bell staff than will a property that is enjoying full occupancy. Fewer guests directly translate to lower earnings and fewer employment opportunities for employees. But the union seems unmoved, both by the pain it is causing employers and the injury to its own members.

We present this recent news item from one major American hospitality market merely as a cautionary tale to clients that have determined to build successful hospitality operations on a union-free basis, to remind you how important it is to ensure that you are addressing your employees' legitimate needs. Constant emphasis on good employee relations forecloses any union's attempt to capitalize on your mistakes to sell their inferior product – a product which helps neither employees nor the business on which all rely for their economic livelihood.