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TECH

How Amazon Workers in New York Became First to Unionize

Organizers' victory in Staten Island shows how the labor effort gained momentum, but still faces hurdles

By Sebastian Herrera Follow

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Chris Smalls has led the organization effort among Amazon's Staten Island workers. PHOTO: GABBY JONES FOR THE WALL STREET JOURNAL

For about a year, Chris Smalls has stood almost daily near <u>Amazon.com</u> Inc.'s AMZN **0.73**% • largest warehouse in Staten Island, N.Y., campaigning <u>to bring the first</u> <u>union</u> to the tech giant's sprawling U.S. operations. A former employee at the facility, Mr. Smalls held cookouts and small rallies with supporters there, and spoke with employees on their way to work to promote the campaign.

The persistence paid off, with workers there <u>voting this past week to form a union</u>, dealing a surprise to the nation's second-largest private employer. Mr. Smalls's journey from obscure activist to successful labor crusader shows how Amazon <u>may have underestimated him</u>—a top executive once questioned his intelligence—and the gathering momentum behind a labor effort that <u>had previously proved fruitless</u>. The journey also illustrates the challenges that will likely continue to make such organizing campaigns difficult.

Mr. Smalls and his group, called Amazon Labor Union, are trying to unionize a second Amazon facility in Staten Island, and the group says they seek to expand their efforts and have heard from interested workers throughout the country. "I have learned something new every day because there is no playbook when you're organizing against a trillion-dollar company," Mr. Smalls said in a recent interview.

Amazon declined to comment on Mr. Smalls. The company <u>has been increasing wages</u>—it says starting pay in the U.S. now averages about \$18 an hour—enhancing benefits and announcing new safety measures to attract and assuage workers. It has argued that being union-free lets it act nimbly to make such improvements.

On Friday, the company said it was disappointed with the results of the Staten Island vote and is exploring whether to file objections against the National Labor Relations Board, which conducted the election. Amazon and some business-advocacy groups have suggested the NLRB may have tried to sway worker sentiment against the company through recent legal complaints related to labor incidents at the company. The NLRB has said it is independent and acts to uphold labor law.

The immediate impact of Friday's voting results for Amazon is limited. Union organizers could face a lengthy process to reach a first contract with the company. And while the facility, known as JFK8, is important—it employs more than 7,500 people in one of Amazon's most important markets—it is one of more than 1,000 the company is estimated to operate in the U.S., where it employs about one million people.

Labor researchers say the results could spur other unionization efforts at Amazon, which faces a close vote in Alabama, in addition to the second Staten Island election, results from

which are expected this month.

Broad union success, or major additional moves by Amazon to placate workers, could increase labor costs further, and impede its famed <u>rapid-delivery apparatus</u>.

"Their cost of operations could go up significantly because part of what these unions are about is enabling more breaks and reducing the pressure on the number of units that need to be picked in a given hour," said Sucharita Kodali, an analyst at research firm Forrester.

Workers waited in Staten Island in March to cast their ballots during the unionization vote. PHOTO: ED JONES/AGENCE FRANCE-PRESSE/GETTY IMAGES

Amazon declined to comment on the effect unionization might have on costs.

A 33-year-old New Jersey native and former rapper, Mr. Smalls had worked in warehousing for years before joining Amazon in 2015, drawn by the company's technology and innovation. He says he came to believe the company treats employees like disposable parts —a view that strengthened when the Covid-19 pandemic hit.

In March 2020, Mr. Smalls <u>helped organize an employee walkout</u> at JFK8, tapping into concern among some workers the company hadn't adequately <u>protected them from the worsening pandemic</u>. The company <u>fired him after the protest</u>, which Mr. Smalls said was retaliation.

Amazon said it worked hard to safeguard workers during the pandemic, providing them with protective equipment and Covid-19 tests, and <u>boosting sick leave</u>. It said it fired Mr. Smalls because he had violated social-distancing guidelines in place then.

Shortly after the dismissal, a leaked memo from a meeting of senior Amazon executives showed the company deciding to take an aggressive stance toward Mr. Smalls.

In the memo, David Zapolsky, Amazon's senior vice president and general counsel, wrote that Mr. Smalls was "not smart, or articulate" and laid out a public-relations strategy to make him the face of the union movement. Mr. Zapolsky later said he had "let my emotions draft my words and get the better of me."

Chris Smalls, in sunglasses, celebrating on Friday after the vote results. PHOTO: JASON SZENES/SHUTTERSTOCK

"From that moment forward, I said, 'I'm going to take the fight to them,'" Mr. Smalls said in an interview last year.

Mr. Smalls believed becoming a consistent presence at JFK8 would prove his group's commitment to workers. He signed on current and former employees to the effort, and the group became a regular presence, at times handing out food, water and even marijuana to workers. The group also heavily advertised on social media, amassing tens of thousands of followers. It raised tens of thousands of dollars through GoFundMe pages.

Mr. Smalls and his supporters have said they aim to improve pay, benefits and working conditions at the company. U.S. labor data has shown Amazon recording higher injury rates than the national average, and employees say the company can easily fire workers for not meeting performance quotas.

The message resonated with some employees. "I felt like this was our one shot to do it," said John Sam, a JFK8 employee who said he voted in favor of the union. Mr. Sam objects to policies he says require workers to sort through and package hundreds of items an hour.

Amazon notes that its average starting salary is well over twice the national minimum wage of \$7.25 an hour, and it offers benefits that include healthcare and 401(k) options and paid tuition. The company has set goals to reduce common injuries and said it monitors workplace injuries closer than other companies, which might cause its reported rates to be higher. Amazon also has said less than 1% of firings happen because of underperformance.

At worker meetings inside the JFK8 facility, Amazon raised the downsides of unionization, including potential mandatory dues, according to employees. It also hung antiunion messaging inside the space. In Staten Island, as at other Amazon facilities, a https://example.com/high-

Some employees weren't swayed by Mr. Smalls and his group. Christine Valente, a 28-year-old who organizes items onto shelves at JFK8, said she voted against unionizing, in part because she didn't trust the union given its unusual name and its lack of experience.

Ms. Valente said she went to three Amazon meetings about the issue. "They basically told us, like, just do your research before you sign into something that you have no idea what you're signing into," she said.

She said she appreciates the benefits at Amazon, noting the company is providing her training in data analytics. "It's probably the best job I've had in a long time," said Ms. Valente, who has worked for Amazon for $3\frac{1}{2}$ years.

Ultimately, about 57% of the eligible workers at JFK8 cast valid, unchallenged votes in the

unionization election. Of those, 55% voted in favor of the union, according to NLRB data. In comparison, about 43% of workers cast valid, unchallenged ballots in a vote last year in Alabama that went <u>overwhelmingly against unionization</u>. The NLRB <u>ordered the current revote</u> in Alabama after deciding that Amazon acted inappropriately during that earlier campaign. The company denied any wrongdoing.

After the counting on Friday, Mr. Smalls popped a bottle of Champagne outside the NLRB office in Brooklyn, where votes had been tallied. He jumped up and down with supporters, who repeatedly chanted "ALU!"

Back on Staten Island, the scene was quieter. Workers came and went in and out of JFK8. Thousands of items waited to be packaged and shipped—like any other day.

-Allison Prang contributed to this article.

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