

COLUMNS

## Unionization and luxury fashion: brands must remain vigilant

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Much discussion related to collectively bargaining employees in the luxury fashion industry is a buzz.

Whether or not unionization of luxury brand employees is unknown and whether unionization, if realized, will make employees happier is equally unknown. However, understanding the effect of unionization on the workplace is of paramount importance.

### Landscape shift

I hate to say it but COVID has changed some people fundamentally.

Ask yourself whether, in 2019, 2018 and prior, you accepted working until midnight or later to properly inventory and close a store during high sales periods.

If you answered "yes" do you feel the same today?

It is unclear whether COVID shifted priority to personal time and family, caused feelings of fatality that alter rationale for late hours, or something else.

What is clear is that there is a dearth of qualified talent applying for jobs in the retail sector.

### Terms and conditions

While you were practically accosted by salespeople when entering a store, consumers may now find it difficult to track down salespeople, stylists and makeup artists who can assist them.

Former employees of luxury left the industry due to what they perceive as poor or unfair working conditions, others moved to locations where luxury stores are not readily available.

Regardless of the reason for the shortage of employees, employers need to provide a working environment that invites success and growth. Collective bargaining may or may not help create a desired culture.

Readers will need to decide that for themselves.

A collective bargaining agreement is an employment contract between an employer and a bargaining unit to which the employees are members. Once unionization occurs, individuals who wish to work in the covered job must join the union prior to being hired.

Collective bargaining agreements govern conditions of employment.

Mandatory subjects for negotiation are wages, overtime, bonuses, grievance procedures, surveillance, safety and work practices, and seniority, and procedures for discharge, layoff, recall, or discipline. In other words, employees covered by collective bargaining agreements are not at-will employees.

Prepare to pay

As the name suggests, any changes made to conditions of employment apply universally to all collectively bargained employees.

For example, Jane and Jayne, each work at a luxury retail establishment on Fifth Avenue in Manhattan. Jane is a top performer who is on time, friendly and receives accolades from colleagues and patrons.

Jayne, however, performs adequately but does not receive compliments from customers and is sporadically late. Lux Co awards Jane a raise of \$2.50 per hour and Jayne nothing.

If Jane and Jayne were members of a union, Lux Co would be required to follow the negotiated pay increase and award each of them, \$1.25 per hour. Also, by way of example, Jane is a favorite of her manager, Jain. Jain, therefore, allows Jane to take additional vacation days by awarding her comp time for a job well done.

Jain, however, dislikes Jayne and advises Jayne that she can only use whatever time was left in her vacation bank for the year.

If Jane and Jayne were in a bargaining unit, Jane would not earn additional vacation time because she was more liked.

Union negotiations are complex and the rules attendant with financial information that must be shared at the negotiating table is complicated.

For luxury brands that welcome unionization of their employees, they should acquaint themselves with the National Labor Relations Act and those who want to stymie the movement should find creative ways to make their companies an employer of choice.

*Views shared are purely the author's. Rania V. Sedhom is founding member and managing partner of the [Sedhom Law Group](#), New York. Reach her at [rsedhom@bespokelawfirm.com](mailto:rsedhom@bespokelawfirm.com).*

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