

# The ethical conflict facing starbucks assignment

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The Wall Street Journal reported in an article on the ethical conflict facing the prodigious corporation known as Cataracts. According to the President of the union in Chile, union workers are dissatisfied and fed-up with the low employee morale they face in their work environment. Cataracts employees were said to have a starting hourly wage of \$2.50 and that it hasn't been changed for eight years. The workers at Starboard's

Chilean stores were pressing for, amongst other things, a lunch allowance similar one which managers receive and to have the company assume the full cost of health insurance. The average cost of lunch in Chile is \$5, so while managers are granted with a \$50 lunch bonus other employees are left with a "2-Free coffees a day ticket. With that being said, you can understand the perception that these unionized workers feel. The outcome and consequences from Starboard's failure to accommodate its employees in Chile had led to the union proposing demands for benefits, such a monthly lunch bonus and full coverage of employee health insurance.

Cataracts felt that the demands surpassed Chile's business tendencies and that beneficial expectancy had been met. Union workers, from 30 Cataracts store locations, responded by preparing to go on strike for several days that could possibly cause an economic impact for the Cataracts franchise. This is not the first time Cataracts has clashed with their employed union workers. Workers in Europe, New Zealand and here in the United States have also had their disagreements with the company. I believe if Chile is successful in their attempt, it may perhaps cause a domino effect.

Cataracts could be looking at a number of union strikes starting and losing a considerable amount of profit. The publicity accumulating that involves the Cataracts Coffee Company cannot be favorable. Chile is most likely getting a sympathy vote from other Cataracts employees and consumers all around the globe. Only time will tell if the customer reaction is harmful and has made a noticeable decrease in sales.