

### Workers Put All Their Eggs in CEO's (Market) Basket

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If you haven't been following the saga of Tewksbury, MA-based Market Basket over the past few months, here's a recap:

#### The Grocery Wars: A Summer of Upheaval

- In June, Arthur S. Demoulas led a majority group of board members of the family-owned business to oust the company CEO, Arthur T. Demoulas. The men are cousins and are hereinafter referred to as "Artie S." and "Artie T."
- Artie T. was replaced by a geographically distant pair of CEOs.
- Following the ouster of Artie T., Market Basket workers—none of whom are unionized—walked off the job in droves. In a prepared statement, they demanded Artie T. back "with full authority, non-negotiable ... We will not work for anyone but ATD."
- Rallies attended by thousands of workers and customers sprang up around the area.
- Business at the normally booming Market Basket stores dropped off as much as 95 percent due to the lack of fresh groceries being delivered to the stores as a result of the walkouts, as well as voluntary customer boycotts.
- The new co-CEOs urged the striking workers to return and fired several senior managers. The workers reiterated their demands that Artie T. be reinstated.
- Impassioned Market Basket protest songs were written and posted to YouTube. A cartoon giraffe, sticking his neck out for his boss, became the visual symbol of the protestors.
- In late August, Artie T.'s group bought out the 50.5 percent of the company held by Artie S. and his supporters. Artie T. returned as Market Basket CEO.
- There was much rejoicing.

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#### A Unique Corporate Culture

This type of story—think *Hoosiers* in a supermarket—is, of course, almost unprecedented.

In a notoriously high-turnover business, what could spur so many low-wage (and, again, nonunionized) workers to put their jobs and paychecks at risk for a corporate executive?

The answer seems to lie in the unique corporate culture Artie T. has created over the past few decades. He has been quoted as saying, “We’re in the people business first and the food business second. If we get the first part right, we’re 80 percent there.”

This is by no means just lip service on the part of Artie T. The stories are legion of his hours-long store visits as he meets and talks with everyone he can, his compassion when workers encounter serious illness or personal misfortune, and the generous bonus and profit-sharing packages offered to Market Basket workers (known as “associates”)—including a 15 percent match of annual pay to a retirement fund.

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## **Happy Workers = Happy Customers**

The workers, of course, are a key part of the equation, but just one part: What about the customers who also walked out in droves to, as so many put it, “save our store”?

Their loyalty can largely be traced back to the employment policies at Market Basket, which make for satisfied—and long-tenured—employees. Every worker’s length of service is prominently displayed on his or her nametag. The store manager at the Market Basket down the street has been with the company for 41 years, and this isn’t at all unusual.

Many shoppers have been seeing the same helpful faces for decades. And they simply didn’t want to shop anywhere else. As soon as Artie T. was reinstated, loyal customers flooded back—even before the nearly empty shelves were restocked.

## **A Lesson for Employers**

In this tale of thousands of Davids (both employees and customers) vanquishing a corporate Goliath, it’s important to remember that no company is too big to treat its workers well—and the rewards of doing so can be astonishing.

Especially in this age of omnipresent social media, news about your policies and procedures spreads like wildfire. The Market Basket war was won as much on Facebook and Twitter as it was in the in-person rallies and walkouts.

It's also important to remember that this sort of genuine appreciation for employees' efforts simply can't be faked; it just won't work. In an impromptu yet jubilant post-reinstatement speech delivered from the back of a pickup truck, Artie T. told his workers, "You are simply the best ... I am in awe of what you've all accomplished."

Have you thanked your workers today?

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Jennifer Carsen is an HR writer and former employment lawyer who regularly writes for BLR's *California Employer Daily* and *HR Decisions* magazine. In 2012, she was named a "Top 25 Online Influencer in Employment Law" by HR Examiner.