

IT Unions?

By: James Mathewson

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Though I generally consider myself a liberal, I have to confess that I am anti-union. The current baseball mess is my paradigm case as to why I think unions are typically unnecessary. As Major League billionaires fight down to the wire over what one management source calls "microcosms," a work stoppage threatens my beloved game yet again. As a Minnesota Twins fan, the threat is particularly nail biting: A strike could not only wipe out the team's best regular season since 1965, it also would likely doom the team to contraction. The thought that I've heard Herb Carneal call his last game brings tears to my eyes.

Fortunately, as I write this, it appears MLB will avoid a strike this time around, which would give me reason to celebrate on this Labor Day. It also gives me cause to examine whether unions are necessary in high tech. Analysts have stewed over the issue since 2000, when dot-commers toiled night and day, ultimately for worthless stock options. Though I'm anti-union, I had some sympathy for the union arguments at the time. In general, I believe unions are necessary only when a new kind of commerce springs up (e.g., the Industrial Revolution). In these cases, labor laws lag behind ethical standards of fair employee treatment. Once the laws catch up, unions become an unnecessary drag on the economic prospects of workers. In the case of dot-commers, laws hadn't caught up to a higher standard of stock option use (they still haven't). So there might still be some cause for dot-com unions. But, what happens when the law catches up to stock option use and dot-commers are stuck paying for a union whose purpose is redundant to the law?

The trouble is, once unions get a toehold in a particular industry, they often run amuck and damage the industry's ability to be profitable and hire and pay workers. In those cases, they can do more harm than good to workers' prospects in those industries. I would argue that the MLB union is doing just that by refusing to enable small-market owners to make enough money to pay all but the top 5 percent of ball players. And a strike would take more dollars out of the pockets of ballplayers by turning away the customers who ultimately pay their salaries. It would be especially harmful to the veteran role players who have to audition for jobs every year.

The most recent cause celebre on the high-tech union front comes from IBM. Big Blue has a culture of unpaid overtime that workers have gladly taken on because of its complementary culture of IBM lifers. If you are hired at IBM for a permanent full-time position, the understanding is you are hired for life, barring a major screw-up or a breakdown. You pay for this tenure with long hours, and most techies would take the trade-off. But when IBM announced it would lay off tens of thousands of its IT lifers, the remaining workers started talking about getting unionized. The question is, what would happen to companies like IBM if their techies all joined a union? Would it be good for the techies in the long run?

Here's one scenario that might make IBMers think twice about making Big Blue a union shop. When IBM is forced by a union to either pay for overtime or send techies home on time, development will obviously get more expensive for the company. As margins decrease, investors will call for cost cutting, which will involve more layoffs. IBM's board will also pressure management to use cheaper labor so that it can continue necessary development at a lower cost. This means it will hire more H-1B visa workers and build programming houses over in India. The net result is a lot fewer available

jobs for U.S. IT workers. As in baseball, the top talent will be retained and will benefit from shorter hours. But the middle tier of IT workers will have a harder time finding work.

What do you think about IT unions? Send your thoughts to newsletter-feedback@computeruser.com.

IT Unions? II

By: James Mathewson

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I received a flood of very intelligent responses to my Sept. 2 column on unions in IT. The vast majority of the responses disagreed with my general attitude against unions. This surprised me at first, because I thought unions were anathema to the generally conservative viewpoint of our readership. But an article in the UpFront section of this week's BusinessWeek indicates an error in my thinking. A couple of labor-sponsored polls show a reversal of popular opinion toward labor since the Reagan era. According to the AFL-CIO, where the ratio of those who oppose unions to those who support them in this country stood at 70/30 in the mid '80s, it's now at 40/50 (with many more undecideds than in the Reagan years). Just last year, the ratio stood at 50/40. The story cited management malfeasance as the cause of a recent reversal of public opinion. Just the employees of Enron and WorldCom who lost their entire retirement savings at the hands of their employers could make a dent in the ratio.

Underestimating the relative popularity of unions was not my only error. Several of your arguments helped me understand the concept of unions better, and helped me come up with a more informed opinion. Several of you pointed out that executive greed drives companies to pump their own stock into employee pension plans; the same greed drives executives to lay off workers if there is any indication of not meeting their numbers in a given quarter; and if executives don't behave in these ways, their boards and shareholders will insist that they do. Without unions, there is no complementary mechanism to protect workers from this behavior. So to rail against the very idea of unions is akin to endorsing behavior that has cost hundreds of thousands of U.S. workers their livelihoods in the last two years.

Obviously, I am not absolutely anti-union or absolutely pro-union. The only opinion I hold absolutely is the denial of absolutist thinking. Few things are absolutely true; if they are, they are either unprovable or not worth saying. The issue is not whether unions are appropriate in some circumstances but rather, in what circumstances they are appropriate. My argument was that unions are not needed in cases where the law makes it a crime for management to force workers into dangerous, degrading, or demeaning conditions either on the job or after retirement. The best responses to this argument again come from readers. Tom Harnsberger, a union firefighter for 19 years, explains that unions are needed to lobby for laws that enhance the safety of workers. He says that without his union insisting on safe practices on the job, he may not be alive today. There is no better paradigm argument for unions to protect the safety of workers than in the firefighting profession, especially with the solemn ceremonies that commemorated the 9/11 tragedy in the past week.

Other readers augment Harnsberger's argument about the need for union legal protection, not just to lobby for new laws but to represent workers in cases where management has violated existing laws.

Enron shows us how money can buy laws that enhance the bottom line, sometimes at the expense of employees. Without unions to act as the legal arm of employees, there is no counterbalancing force to represent workers in Washington and in the courtroom. Sure, employees can file class-action suits and whatnot, but without union organization in the background, they do so at considerable risk to their own livelihoods. Whistleblowers often end up on the streets.

OK, so unions are necessary to protect workers from illegal corporate behavior and to push for laws that enhance the safety and well-being of workers. Does this also apply to the IT ranks? IT workers are not exactly firefighters or coal miners. One of my colleagues pointed out that nobody forced dot-com workers to slave over their keyboards for low salaries all for the promise of stock options. They decided to become partners with management in striving to make a killing in e-commerce. There were less risky jobs available at the time if they wanted to make money the old-fashioned way. So even when I expressed a pro-union stance, it was misinformed.

But in these supposedly less risky jobs, such as at IBM, is there room for unions? There are some areas where IT workers conditions could improve. Enron shows us that we need laws to ensure proper 401K and pension management. OSHA released ergonomic guidelines last year that have yet to gain widespread acceptance because of management's resistance. Whether a particular company treats its employees with the dignity they deserve in spite of the absence of laws will depend on the company. IBM is one of the best companies to work for in terms of giving employees the latest and greatest workstations, employee stability, and retirement plans. Even so, readers who work for IBM say there is cause for unions, if only to protect the rank and file against layoffs in a management-heavy environment.

Given the pendulum swing in popular opinion and high-profile cases like Enron and WorldCom, I would not be surprised if unions make inroads into IT. If they do, I can no longer say it would be a net negative, as I indicated two weeks ago. Though it may force more off-shore IT development, it will at least guarantee dignified employment for the cream of the crop in the United States.

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