

Do Unions Destroy Companies?

This is a common refrain these days by pro corporate voices, such as the Wall Street Journal and US Chamber of Commerce. We heard it around the bail out of the auto industry. Instead of targeting auto executives' greed and refusal to change product lines, autoworkers took the hit in the big business media. The average autoworker's desire to have a career job with which they could raise a family came under fire. Those who find livable wages for workers distasteful hammered away at middle class workers as the cause of the auto industry's problems.

Successful Businesses With Unions

A simple survey of some very successful companies gives proof of the fact that unions do not hold businesses back. Southwest Airlines is 85% union and is consistently an industry leader. Boeing is a world leader in aircraft manufacturing and highly unionized. General Electric union workers turn out some of the best aircraft engines and railroad locomotives in very competitive industries.

Northwest Airlines for years was a leader in customer satisfaction statistics and highly unionized. We have recently taken a sharp turn downward with Delta management's conscious decision to sacrifice customer service to drive down costs.

Delta's Problem With Unions

Richard Anderson's virulent brand of anti unionism, as evidenced by his fierce attacks on pro union workers, shows that he sees unions as a big problem for his business, Delta Air Lines.

And in some respects unions, such as the IAM, are a problem for Anderson and his particular business model. Union workers do oppose workers being engaged in a

“race to the bottom” to increase a corporation's bottom line. We do oppose “flexibility” when it is defined as Delta's Ready Reserve Program. Ready Reserve workers accrue no permanent seniority, get few benefits and are laid off after 999 hours in a year simply to deny them benefits. “Flexibility” in this case means creating throw away workers.

Business Ethics

Let's turn the logic of Wall Street and Delta on its head. We believe the problem in the US and the world today is not unions or organized workers. To the contrary, unions are part of the solution, not part of the problem. The problem lies in “business ethics”.

In a contribution to airwhiners.net entitled, “Ethics In The Airline Business: A Case Study Of Delta Air Lines”, Everton E. Morris defines business ethics this way, “Business ethics can be defined as a method of thinking and behavior designed to maximize the success of the corporation, as defined as the company's profits. Like church ethics, business ethics is designed to promote a favorable outcome for the practitioner. However, unlike church ethics, business ethics does not provide much consideration of the well being of others. Business ethics often does not take into serious consideration the well being of those at the bottom of the corporate structure: rank and file employees. Indeed, practitioners of business ethics are required to act in the best interests of the corporation's shareholders and customers first, with employees only receiving marginal attention at best.”

Morris ends saying that if business ethics dominate they “will stifle the very success they sought to create.” Now that sounds familiar.