

US telecoms see opportunity to cut jobs, boost profits in pandemic

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1 June 2020

After an initial confused response to the COVID-19 crisis, the two largest telecom providers in the US directed much of their workforce to work from home (WFH) rather than report to a central location. By mid-March, Verizon had some 115,000 out of a workforce of 135,000 working from home. AT&T reported similar figures. Both firms already had a number of contract and full-time employees working from home.

Under state-mandated social distancing rules relating to the pandemic, the number ordered to work from home increased to unprecedented levels and expanded to include job titles previously excluded from WFH policies.

The giant telecoms no doubt see an opportunity to use the pandemic as a means to cut cost, eliminate jobs and restructure the workplace, shifting many costs onto the shoulders of employees.

Neil Anderson of World Wide Technology speaking to *Fierce Telecom* noted “we don’t expect that there’s going to be a return of 100 percent going back to central working locations and office locations,” He continued, “It depends on the industry. You can’t be a surgeon [and] work from home. But for knowledge working at carpeted office spaces, we think that there’s actually going to be a significant reduction somewhere on the order of 30 percent to 40 percent of the employees continuing to work from home.” He went on to say: “Some of that may be out of a company led initiative where they say ‘Hey, this worked pretty well. Let’s take advantage of that and save some money on real estate costs.’”

A policy shifting employees to WFH status opens up the possibility of more rapidly shifting work to where labor costs are lowest. This is something they are no strangers to. For decades, the telecoms have moved jobs around the globe, seeking the most exploited

workers. Even within the US salaries vary greatly between high cost cities like New York, San Francisco and Boston and other comparatively low cost areas outside major metropolitan centers.

WFH allows the telecoms to isolate workers, undermining their ability to connect in order to exercise their collective strength. Further, it allows the possibility that companies can close entire buildings and lay off support personnel. These include watch engineers, cleaning staff, security, fire safety, clerical staff, and others.

In addition, real estate tax, heating, air conditioning and electrical cost are all reduced or eliminated through WFH, with the cost shifted to employees.

Then there is the question of liability. Workers injured in a company location are entitled to workers compensation. Workers working at home full-time may not be covered by existing compensation laws. The courts in this regard tend to rule on behalf of business owners.

Verizon has long been in the real estate business. In recent years it has sold off many of its properties in the northeastern US to be converted to ultra-high-rent luxury condominiums, particularly in New York City.

Verizon has tried to get out from under its franchise agreement to make its FiOS service available to more New York City residents, and the company has directed its field technicians not to enter customer premises for obvious safety reasons. Technicians are instructed to walk customers through repairs over the phone. Due dates for new installs have been pushed out until November. No doubt Verizon is auditing the numbers in an effort to eliminate even more technician jobs, adding to those it has been cutting for decades.

The Communications Workers of America (CWA) union has been quick to sign off on this. While the

union and its pseudo-left accomplices hailed bonus pay and other short-term benefits to workers as a win, the union itself did little if anything to secure these. The company recognized the tremendous anger in the work force and understood that the union might be unable to prevent workers from walking off the job en masse faced with unsafe conditions. To avoid this the company offered the bonus and some other minor temporary concessions to workers.

Field managers in Verizon's wireline division were directed to work from home. Field employees who cannot work from home were directed to "home garage," meaning they would bring company vehicles and tools home and report directly to their work assignment in the field without first meeting at a garage or central office. One field technician in New York who spoke on the condition of anonymity reported that a number of technicians in one group were exposed to the virus by a local manager who ignored the work-at-home rules and dropped in on them at work to discuss their metrics, in other words enforce productivity requirements.

Verizon had previously invested heavily in GPS and other technology providing tracking measures allowing managers to closely monitor location and key productivity metrics for these workers in order to extract more productivity from the workforce. This intense monitoring has also had the effect of creating a highly stressful work environment for frontline workers.

The same is true for call center employees and other inside workers who were directed to work from home. Intense and pervasive monitoring used to extract productivity from workers often takes a psychological toll as well. Calls are recorded as is every keystroke entry onto a computer. In fact, everything these workers access and the speed at which they do it is monitored and recorded in the interest of extracting more labor from them.

Verizon and ATT have in the past had experience with management employees who work in office environments, such as engineering, IT, billing systems and human resources, who work from home during work stoppages by unionized employees. This enabled them to conduct business without having to send non-striking workers across picket lines.

Cynically, management touts WFH as a perk for

employees. While it may in fact save the employee on commuting cost and childcare, the ultimate aim is to save money for the company.

Many of the management workers on WFH are on call 24 hours a day and expected to conduct business with little notice at all hours.

Verizon and ATT are among the biggest sources of dividend payments to Wall Street, which is driving companies to extract greater profits from workers in order to shovel more money to the financial oligarchy. The interests of both workers and the broader public require that the telecom industry be taken out of the hands of investors and private equity firms and operated to meet social need rather than the demands of the financial oligarchy. This requires the development of an independent, socialist, political movement of the working in opposition to the Democrats and Republicans, the parties of the banks and big business.



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