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BAD CONNECTION:
VERIZON'S POOR DEAL TO WORKERS

In a parking lot near Syracuse last Friday, Verizon CEO Lowell McAdam, who makes $18 million a year, walked up to a picket line and said to his striking workers, "To be honest, I'm not sure why you're out here."

It was an illuminating snapshot of the disconnect between a corporation and its employees, all caught on video, and it illustrates how even a tech titan built on recognizing consumer behavior can't grasp the basic needs of its own workforce.

This is troubling. Among domestic telecoms, Verizon is the 800-pound gorilla. It has generated $39 billion in profit the last three years (repeat: profit, not revenue) and $4.3 billion in the first quarter of 2016 – so guess what comes next for a company that is the second most-profitable of its kind on the planet.

More employee givebacks, of course.

Business is soaring, yet 38,000 striking workers – including 4,600 in New Jersey - are asked to trim retirement benefits and shoulder more health-care costs. That part they may tolerate, since the burden is partially offset by a 6.5-percent raise.

But Verizon also wants to reshuffle the deck. Its commitment to wireline services (home phone, internet) is in question, because these are less profitable than wireless. Most of the strikers work in the wireline branch, and are among the few union employees the company hasn't already lopped off. Verizon's union workforce has dropped from 85,000 to 45,000 in the last decade.

It also wants to close call centers (the company says six, the union says 16), and move them far away from the Eastern cities, if not overseas; and it wants the right to relocate workers for up to two months. Under the last contract, which expired in August, it couldn't move union workers more than 35 miles.

That is a threat to job security: To assume that a worker can leave a family for two months at a time is corporate strong-arming at its worst.

Verizon believes it is already too generous, but its math is fuzzy: It says these workers make a great living, because the average worker's pay-benefits package is valued at $130,000. That is misleading: The average base salary of the striking worker is only $74,000, and 10 percent of that total comp is overtime pay that compensates for rampant understaffing.

The customer service reps on strike average $69,000 a year – barely a middle class wage in New Jersey, but a reminder of why unions are necessary: A non-union customer service agent makes about $35,000 in the wireless division, according to Glassdoor.com.

So even as revenues explode, jobs disappear. In 2014, 5,200 workers were forced to reapply, relocate, or take a buyout after call centers were closed from Connecticut to California. About 1,000 employees in Pittsburgh were given this choice: Move to Maryland, Georgia, or Ohio. Spouse employed, kids in school? Tough. Move or quit.

Two years earlier, shuttering affected 3,175 jobs. The next time you're on hold for 20 minutes, remember that.

Meanwhile, soulless CEOs like McAdams flaunt the corporate conceit that has helped sink the middle class. We get it: His first responsibility is to shareholders, and protecting those interests trumps flag-waving.

So labor either works for rates that create obscene profit margins, or they can leave - even if they built this company from its Baby Bell incarnation, restructuring is a part of life. Besides, FIOS sales from the wireline branch grew "only" 9 percent last year.

But it's a strange message to send to your workforce, especially after paying each of your top five executives an average of $10 million over the last five years.

Somewhere along the way, Verizon decided that grunts should be grateful for blue-collar jobs that allow them to support families. It also began to question whether it should uphold that obligation in a shifting economy. The answer is clear: It doesn't.

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