

Those pampered managers who ask for lay offs or lower salaries

Hi all, Talking about who's gonna pay for this crisis, I cannot say much but, isn't it striking that while some conservative statesmen, such as the German chancellor, Angela Merkel, have condemned the public scandal of managers' salaries and bonuses, here in Spain some renowned socialdemocrat militants demand pro-shareholders labor policies? -----

Not only that, but they omit to say anything about Spanish managers and their abusive payrolls in so many cases. Salaries referred not to market -not so free when it comes to talk about managers contracts, but to its bad use of power and dubious contributions to the organization that pays them and its profit.

Our Central Bank governor, Miguel Ángel Fernández Ordóñez, is one of the fiercest apologist of labor market deregulation, although he is a prominent member of the Socialist Party (PSOE). He has declared to the media that an outright cut in salaries is needed to get us out of this crisis and gain a competitive position. Of course, he's talking about blue collar workers' salaries -industry and services, including our main GDP sectors such as tourism, banking, cars, public sector and the like, all positions designed with very low added value. Construction, being important, is close to a real metamorphosis after many years of mad growing and false market forecastings as you all may know, so it's the only sector to be considered apart concerning power and HR policies.

Spanish managers payroll is even unfairer, compared to those they manage, if you bear in mind that not only they are among the best paid in Europe, along with Swiss and British, but also they are less experienced and educated than any other managers all over Europe. They lack training, leadership and communication skills and even they don't speak English!. These are not my beliefs, but statistics published in several journals.

Anyway, concerning the point:

a. If banks, financial markets, rating agencies and public institutions whose errors and deregulation derivated into a bloody greed caused this crisis, a cut in our salaries will take us out of it? Evenmore, would it be fair considering who is to blame? I mean, why always have to pay the powerless for the mismanagement and abuses of the powerful?

b. Referred to Spain. Spanish salaries are among the lowest in Europe. True, the problem here is productivity, but again, who's to blame?. Workers whose responsibility is just working, not thinking, or managers who are responsible for thinking and the creation of added value? For that reason, it's not so straightforward that lowering salaries significantly will help as long as companies' profits during the last decade have rocketed making a bubble and a clique of new tycoons, uneducated richs. But innovation has remained dim and creation of quality jobs have decreased. Anyway, it's not a surprise that those who ask for a cut in payrolls are mainly businessmen, employers or excessively well paid managers (as I have depicted before), whose salaries and bonus are not deserved in reference to their contributions to the organization, smaller than they presume.

c. As I have learned, it's true that lay off compensations are higher in Spain than in our neighbor countries. However, our labor laws concerning this point usually are not accomplished by Spanish employers, so those who get fired due to bankruptcy or problems with market demand, most of the time have to satisfy themselves with a lower amount of money than the one established by law. I.e. according to laws you deserve 45 days of your salary for every year worked in the company, but the lawyers suggest you to accept less days instead of going to court. In cases of groups firing days are reduced to 20/25 per year... (not sure) Also, one third of Spanish workers have short term contracts. So in a matter of months they can be fired with no cost at all!

d. Also, our welfare system is weak so, after a year of unemployment or so, you better accept any job, usually worse, or die of starvation. This is neither Finland nor Germany. Not even France. In those countries it's cheaper to fire employees but also they have a sound and efficient welfare and employment system and many employers have better ethical values too.

e. Solutions? . Hmm, one thing I'm sure of -and this is the more important point I have to tell you all. If employees have no right to take part in its company's decisions (autocratic, conventional, funded in power management), labor contracts should be as tight as possible by law to protect persons as long as they are treated like a peon by his/her employer. On the other hand, if workers participate in company's decisions (modern, democratic and self directed management) that affect their working lives, then labor contracts should be absolutely transparent and flexible, adapted to the economic cycles and individual worker performance. Some circumstances such us proximity to retirement or illness could make them less flexible but no much other causes. I mean, when you participate in the strategy, in democracy, you cannot claim to be covered against the consequences of your decisions, such as lower salaries or even be fired due to bad performance if things go really bad. But, I insist, if you are not considered at work and others think for you and have power over you, the traditional trade unionist approach is fair for me. My reason is one of ethical nature, added against salaries cuts within pyramidal, hierarchical companies. Why ethical? Because we're talking about freedom, free agreements and equal power of decision, aren't we?. Hierarchical organizations are unethical if you believe that freedom is one of the human rights and values that cannot be waived.