COMPANIES WORKING THEIR EMPLOYEES HARDER: WHY? BECAUSE THEY CAN

Major corporations are ensuring that they play tough to ensure that workers are exploited to the full and that they merit every single penny that they get. Even though corporate profits in the third quarter of 2011 were $1.97 trillion and companies were 'flush with cash and less burdened by debt', they remained hesitant to hire new workers. The continuing scourge of unemployment is to be blamed. Even though the jobless rate has fallen, there are still a large number of people willing to work more for less and they are pushing down the wages and giving the employers the upper hand. The Bureau of Labor Statistics reported that for every job opening there were four unemployed workers. This has added to the pressure and made them work harder and meekly accept tough situations. Gary Burtless, a labor economist at the Brookings Institution said, "There's never been a post-war era in which unemployment has been this high for this long. Workers are in a very weak bargaining position." Ironically this comes at a time when corporate incomes are at an all time high. Aaron Smith, senior economist at Moody's Analytics says, "Businesses are getting more out of each worker they have. Labor's share of new income has fallen even lower to 57.1 percent in the third quarter of 2011 and is likely to fall even more." Richard Cooper, an economics professor at Harvard said that companies have "figured out to get by with fewer people." According to the Federal Reserve Bank of San Francisco, The percentage of workers who have reported no wage change is at its highest level in 30 years. Inflated-adjusted wages fell about 2 percent in 2011. The situation could not be more ironic. The corporate revenues reaching record high levels, but this is not translating into work for American workers or boosting their living standards. The harsh reality is that it has become a buyer's market for employers. It is the ultimate leverage for the employer. Workers are in a no-choice relationship with their employers. If they are asked to work harder, they do. If they are paid less, so be it. The American worker is being squeezed dry. However, productivity reduced considerably last year and rose by a mere 0.4 percent, compared to 2.3 percent in 2009 and 4.0 percent in 2010. This reflected negatively in the revenue generated by the corporate. Will employers see that without workers they cannot increase their productivity? Will it signal a change in rules? Could this be the beginning of the end of the 'worker squeeze?'