AT&T is bringing back 2,000 outsourced jobs

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In a move hailed as a union victory, San Antonio-based AT&T Inc. has agreed to return 2,000 outsourced jobs, including some that were shifted overseas, to the company payroll.

After negotiations with the Communications Workers of America, its largest union, the telecom giant next year will begin turning 800 jobs now filled by outside contractors into union-represented company positions. It also will return to its U.S. payrolls about 1,200 customer service jobs now filled by overseas contractors, many in India.

The jobs support AT&T's growing high-speed Internet business.

An AT&T official said it's too early to know where it will hire the employees, although they likely will be in facilities across the country. The company employs 182,900 people worldwide — 6,000 of them in San Antonio.

"I think this is a considerable victory for labor," said Alex Colvin, labor studies professor at Penn State University. "They won it at the bargaining table using traditional labor leverage at a time when people talk about unions' dwindling influence."

Colvin said AT&T's decision to bring jobs in house also could stem from a growing corporate realization that not all technical support and customer service work can be shipped effectively overseas.

One in four businesses surveyed last year by accounting firm Deloitte & Touche brought back outsourced work after realizing they could handle the functions more cheaply in the United States. Other outsourcing experts, however, said the practice still is gaining popularity with U.S. companies.

More information

- AT&T
- Communication Workers of America
"There are some cases of work coming back to the U.S., but my sense is that the overwhelming (trend) is still moving offshore," said Ron Hira, a Rochester Institute of Technology professor who tracks outsourcing issues.

AT&T spokesman Walt Sharp said the move is a direct result of the company's contract with CWA.

"It's something that will be good for customers, and it's something we agreed to look at in our 2004 contract with the union," he said.

The 2004 pact, reached after a four-day walkout by 100,000 workers, includes language requiring AT&T to try to convert contract jobs in growing parts of its business into company positions.

CWA officials said they are continuing talks with AT&T to return more outsourced jobs to the company payroll.

"We think this is a recognition by the company that quality customer service is what gives companies the competitive edge in the telecom industry," CWA spokeswoman Candice Johnson said.

The union wants AT&T to stop using outside contractors to fill jobs in growing markets such as high-speed Internet access. The company has trimmed thousands of jobs in recent years, largely through attrition, as cable and wireless companies chipped away at its traditional phone business.

AT&T's Sharp wouldn't say whether the company plans to bring additional contracting jobs into the company fold.

"We're always talking with the union on issues like these," he said. "It's an ongoing process."

Part of CWA's success in negotiating with AT&T, Penn State's Colvin said, stems from the union's lobbying support for regulatory changes sought by the company in Washington and in various statehouses.

"They wield a lot of influence because this is an industry where regulation still matters quite a bit," he said. "AT&T knows it needs the union as an ally."

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