Chapter 6.14
Outsourcing in High–Tech Corporations:
Voices of Dissent, Resistance, and Complicity in a Computer Programming Community

Erik Piñeiro
Royal Institute of Technology of Stockholm, Sweden

Peter Case
University of the West of England, UK

ABSTRACT

Management has historically sought to restrict the options for manual workers to rebel by simplifying and limiting their jobs according to Tayloristic principles. The need for their experience and knowledge has been consciously minimized, having been relocated instead to supervisors and middle managers, working routines and machines. In high-tech industries, by contrast, the workers' fundamental contribution to the enterprise is their very knowledge, offering other possibilities for rebellious activities or, at least, for rebellious plans. This chapter focuses on one of the common denominators in the exchanges among programmers, namely the concept of knowledge: how to get it, who has got it (and who hasn't), what kinds are important and its role in their conflict with management.

INTRODUCTION

Electrical, electronic, and computer engineers (IEEE-USA), a professional association with 235,000 members, starts its online introduction with the following remark: "Through years of record layoffs and bleak employment prospects for U.S. engineers…" (2006) and its 2006 President Elect, Ralph W. Wyndrum, Jr., writes in his first President's Column that the first focus of the organization is to, "ensur[e] that U.S. technology

policy enhances America's future and protects American workers" (Ralph W. Wyndrum 2006). In 2004, President Elect John Steadman, testified before Congress urging it to "take a close look at overseas outsourcing to see what can be done to create and keep high-value, high-tech jobs here in the U.S." (Quan, 2003), basing his worries on the claim that "Some 160,000 U.S. IT jobs have disappeared in the past three years" (Steadman, 2004).

That programmers would need this kind of help to stop the hemorrhaging of IT jobs was unthinkable only a few years earlier, when their central role in the "new economy" made them irreplaceable high-tech professionals. Castells, for one, went as far as to suggest they were to become the elite of the labor market (Castells, 1996). Much has happened since the "new economy" collapsed and the dotcom boom crashed. The labor market has seen its share of changes, but, as William Wulf, President of the U.S.-based National Academy of Engineering says, "the rate of change in the software field is more rapid than in traditional engineering" (Costlow, 2003). One of the phenomena that has had the largest impact on the programmers' labor market is the managerial practice of outsourcing, which we introduce in the next section. Outsourcing, or the threat of it, has had several effects on the role of software engineers, the most important being probably their demotion from vital members of companies (indeed of the whole economy) to suppliers of functions; functions, moreover, that can be removed from the main body of corporate activity and which, usually on grounds of cost, placed "outside" the company, state, or continent. This move has implied a lowering of both their professional status and their salaries (Costlow, 2003).

This chapter presents a study of the responses and identity work that takes place among programmers in the face of these changes. We shall analyze discussions among programmers that deal with the subject of outsourcing from different perspectives, and show the various strategies available to them

in order to maintain their identity as important and powerful members of the organization.

Various studies addressing different aspects of the programmers' identities have been conducted (Barret, 2005). Their interest, and the interest of this one too, resides in the fact that programmers have convincingly been presented as archetypical "knowledge workers" (Angell, 2000, Scarbrough, 1999). At a time when Western policy makers and company representatives express their hope in the knowledge economy as the answer to competition from low-cost markets, it is seems highly pertinent to study the different organizational processes of the "knowledge firm."

OUTSOURCING

The term outsourcing became popular in the beginning of the 90s, representing the management fashion of focusing on core activities—a fashion that is today still very much in vogue. Companies, it was said, were to concentrate on what they did best, and improve their competitive advantages through judicious elimination of secondary activities (Brown, 2005, Corbett, 2004, Power, Desouza, & Bonifazi, 2006). The activities deemed to be "outsourcable" have since expanded and now include services provided by IT-professionals (Apte et al., 1997, Kakumanu & Portanova, 2006, Kehal & Singh, 2006, Sobol & Apte, 1995). Simultaneously, the process of globalization has implied a relocation of activities in low-cost countries, generating much discussion about two neighbour concepts: off-shoring and off-shore outsourcing (Gupta & Chaudhari, 2006). Whereas "outsourcing" relates to the slimming of activities in a firm in order to concentrate on the core of its competitive advantage, "off shore outsourcing" relates to a particular kind of slimming characterized by the replacement of domestic partners with others from low-cost countries. The related concept of "near-shore outsourcing" designates the relocation in low-cost countries that

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