Large companies—and some small ones—have two kinds of employees: the assets and the resources.

The "assets" include major management and especially creative or skilled people whose special creativity and skills are necessary to the company's success. They are part of the stock value of the company. They are hired by "headhunters" and command high salaries and golden parachutes—high pensions and compensation packages.

The "resources" are interchangeable workers that can be hired from an employment pool. They are hired and managed by the Human Resources Department. Just as resources like gas or oil or steel are purchased as cheaply as possible, so, too, are human resources purchased as cheaply as possible. Since pay scales often match skill level, they tend to be hired at the lowest possible skill level and at the lowest cost. When unemployment is high and the employment pool is large, companies can offer less in salary and "benefits" and still get appropriate human resources, while maximizing profits and payments to "assets."

Unionization is a freedom issue.

Companies that are hiring human resources, in general, have much more power than individuals seeking such a job. When the company is large and there is a big human resource pool, workers seeking jobs have to take what is offered—or the job will go to the next person in the pool. This includes not just salary and benefits, but also working conditions—job safety, working hours, overtime, and so on. The employee is serving on the company's terms, and often at the company's whims.

In capitalist economic theory, employment is a transaction in which the employer buys the labor of the employees and the employees sell their labor to the employer. Hence the term *labor market*. It is assumed in economic transactions that both will seek the best deal. Unions create the best deal for the resource-employees.

Unions function to equalize the power of the company over the employee. Short of outsourcing, companies cannot function without any resource-workers at all. If the company is unionized, then all the workers as a group have bargaining power that a solitary worker does not have.