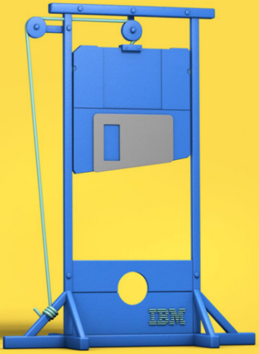
CUTTING ‘OLD HEADS’ AT IBM

As it scrambled to compete in the internet world, the once-dominant tech company cut tens of thousands of U.S. workers, hitting its most senior employees hardest and flouting rules against age bias.



by Peter Gosselin and Ariana Tobin

March 22, 2018

This story was co-published with Mother Jones.

FOR NEARLY A HALF CENTURY, IBM came as close as any company to bearing the torch for the American Dream.

As the world’s dominant technology firm, payrolls at International Business Machines Corp. swelled to nearly a quarter-million U.S. white-collar workers in the 1980s. Its profits helped underwrite a broad agenda of racial equality, equal pay for women and an unbeatable offer of great wages and something close to lifetime employment, all in return for unswerving loyalty.

But when high tech suddenly started shifting and companies went global, IBM faced the changing landscape with a distinction most of its fiercest competitors didn’t have: a large number of experienced and aging U.S. employees.

The company reacted with a strategy that, in the words of one confidential planning document, would “correct seniority mix.” It slashed IBM’s U.S. workforce by as much as three-quarters from its 1980s peak, replacing a substantial share with younger, less-experienced and lower-paid workers and sending many positions

HOW THE CROWD LED US TO INVESTIGATE IBM

Our project started with a digital community of ex-employees. Read more about how we got this story.

overseas. ProPublica estimates that in the past five years alone, IBM has eliminated more than 20,000 American employees ages 40 and over, about 60 percent of its estimated total U.S. job cuts during those years.

In making these cuts, IBM has flouted or outflanked U.S. laws and regulations intended to protect later-career workers from age discrimination, according to a ProPublica review of internal company documents, legal filings and public records, as well as information provided via interviews and questionnaires filled out by more than 1,000 former IBM employees.

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DO YOU HAVE INFORMATION ABOUT AGE DISCRIMINATION AT IBM?
Let us know.

Among ProPublica's findings, IBM:

- Denied older workers information the law says they need in order to decide whether they've been victims of age bias, and required them to sign away the right to go to court or join with others to seek redress.
- Targeted people for layoffs and firings with techniques that tilted against older workers, even when the company rated them high performers. In some instances, the money saved from the departures went toward hiring young replacements.
- Converted job cuts into retirements and took steps to boost resignations and firings. The moves reduced the number of employees counted as layoffs, where high numbers can trigger public disclosure requirements.
- Encouraged employees targeted for layoff to apply for other IBM positions, while quietly advising managers not to hire them and requiring many of the workers to train their replacements.
- Told some older employees being laid off that their skills were out of date, but then brought them back as contract workers, often for the same work at lower pay and fewer benefits.

IBM declined requests for the numbers or age breakdown of its job cuts. ProPublica provided the company with a 10-page summary of its findings and the evidence on which they were based. IBM spokesman Edward Barbini said that to respond the company needed to see copies of all documents cited in the story, a request ProPublica could not fulfill without breaking faith with its sources. Instead, ProPublica provided IBM with detailed descriptions of the paperwork. Barbini declined to address the documents or answer specific questions about the firm's policies and practices, and instead issued the following statement:

"We are proud of our company and our employees' ability to reinvent themselves era after era, while always complying with the law. Our ability to do this is why we are the only tech company that has not only survived but thrived for more than 100 years."

With nearly 400,000 people worldwide, and tens of thousands still in the U.S., IBM remains a corporate giant. How it handles the shift from its veteran baby-boom workforce to younger generations will likely influence what other employers do. And the way it treats its experienced workers will eventually affect younger IBM employees as they too age.

Fifty years ago, Congress made it illegal with the Age Discrimination in Employment Act, or ADEA, to treat older workers differently than younger ones with only a few exceptions, such as jobs that require special physical qualifications. And for years, judges and policymakers treated the law as essentially on a par with prohibitions against discrimination on the basis of race, gender, sexual orientation and other categories.

In recent decades, however, the courts have responded to corporate pleas for greater leeway to meet global competition and satisfy investor demands for rising profits by expanding the exceptions and shrinking the protections against age bias.

"Age discrimination is an open secret like sexual harassment was until recently," said Victoria Lipnic, the acting chair of the Equal Employment Opportunity Commission, or EEOC, the independent federal agency that administers the nation's workplace anti-discrimination laws.

"Everybody knows it's happening, but often these cases are difficult to prove" because courts have weakened the law, Lipnic said. "The fact remains it's an unfair and illegal way to treat people that can be economically devastating."

Many companies have sought to take advantage of the court rulings. But the story of IBM's downsizing provides an unusually detailed portrait of how a major American corporation systematically identified employees to coax or force out of work in their 40s, 50s and 60s, a time when many are still productive and need a paycheck, but face huge hurdles finding anything like comparable jobs.

The dislocation caused by IBM's cuts has been especially great because until recently the company encouraged its employees to think of themselves as "IBMers" and many operated under the assumption that they had career-long employment.

When the ax suddenly fell, IBM provided almost no information about why an employee was cut or who else was departing, leaving people to piece together what had happened through websites, listservs and Facebook groups such as "Watching IBM" or "Geographically Undesirable IBM Marketers," as well as informal support groups.

Marjorie Madfis, at the time 57, was a New York-based digital marketing strategist and 17-year IBM employee when she and six other members of her nine-person team — all women in their 40s and 50s — were laid off in July 2013. The two who remained were younger men.

Since her specialty was one that IBM had said it was expanding, she asked for a written explanation of why she was let go. The company declined to provide it.

Marjorie Madfis was among seven women in their 40s and 50s laid off from their IBM marketing team in White Plains, New York, in 2013. The two members who remained were younger men. "The only explanation is our age," says Madfis. (Demetrius Freeman for ProPublica)

"They got rid of a group of highly skilled, highly effective, highly respected women, including me, for a reason nobody knows," Madfis said in an interview. "The only explanation is our age."

Brian Paulson, also 57, a senior manager with 18 years at IBM, had been on the road for more than a year overseeing hundreds of workers across two continents as well as hitting his sales targets for new services, when he got a phone call in October 2015 telling him he was out. He said the caller, an executive who was not among his immediate managers, cited “performance” as the reason, but refused to explain what specific aspects of his work might have fallen short.

It took Paulson two years to land another job, even though he was equipped with an advanced degree, continuously employed at high-level technical jobs for more than three decades and ready to move anywhere from his Fairview, Texas, home.

“It’s tough when you’ve worked your whole life,” he said. “The company doesn’t tell you anything. And once you get to a certain age, you don’t hear a word from the places you apply.”

Paul Henry, a 61-year-old IBM sales and technical specialist who loved being on the road, had just returned to his Columbus home from a business trip in August 2016 when he learned he’d been let go. When he asked why, he said an executive told him to “keep your mouth shut and go quietly.”

Henry was jobless more than a year, ran through much of his savings to cover the mortgage and health insurance and applied for more than 150 jobs before he found a temporary slot.

“If you’re over 55, forget about preparing for retirement,” he said in an interview. “You have to prepare for losing your job and burning through every cent you’ve saved just to get to retirement.”

IBM’s latest actions aren’t anything like what most ex-employees with whom ProPublica talked expected from their years of service, or what today’s young workers think awaits them — or are prepared to deal with — later in their careers.

“In a fast-moving economy, employers are always going to be tempted to replace older workers with younger ones, more expensive workers with cheaper ones, those who’ve performed steadily with ones who seem to be up on the latest thing,” said Joseph Seiner, an employment law professor at the University of South Carolina and former appellate attorney for the EEOC.

“But it’s not good for society,” he added. “We have rules to try to maintain some fairness in our lives, our age-discrimination laws among them. You can’t just disregard them.”

‘Old Heads’ Needn’t Apply

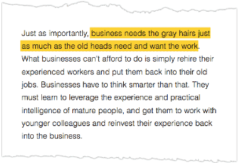
FOR MUCH OF ITS HISTORY, IBM viewed its fate and that of its predominantly U.S. workforce as inseparable. By the late 1960s, the company’s grip on the mainframe computer business had grown so great the Justice Department sued it for monopolizing the industry, a case that dragged on for years before being dropped as “without merit.” Such dominance convinced executives they could deliver extraordinary workplace stability in return for loyal service.

“When recessions occur or there is a major product shift, some companies handle the resulting workforce imbalances by letting people go,” explained an employee handbook of the 1980s. By contrast, IBM “retrains, reassigns and even relocates employees.”

For their part, continued the handbook, employees must be “flexible, willing to change, work overtime, and adapt to new situations quickly.” The logic behind the bargain was that “people are a treasured resource.” At IBM, “they are treated like one.”

But within a decade, IBM had stumbled not once but three times, in ways that would come to cost both the company and its workers. First, it failed to appreciate the "major product shift" behind a new chip technology that first entered people's lives as the guts of pocket calculators and cheap digital watches and was making possible increasingly powerful and networked personal computers that undercut the company's mainframe business. Second, it misjudged its employees' reaction to switching to a kind of pension that no longer rewarded older, long-service workers. IBM workers responded with a lawsuit that forced the company to settle by paying more than $300 million and reinstating expensive traditional pensions for more than 100,000 of them.

And by the early years of the new century, IBM was falling behind again by failing to quickly devise innovative uses for the internet like its new rivals, Google, Facebook and Amazon. As it slipped, the company began having second thoughts about the price of unbending loyalty to its long-serving workforce.



Just as importantly, business needs the gray hairs just as much as the old heads need and want the work. What businesses can't afford to do is simply rehire their experienced workers and put them back into their old jobs. Businesses have to think smarter than that. They must learn to leverage the experience and practical intelligence of mature people, and get them to work with younger colleagues and reinvest their experience back into the business.

This excerpt from a 2006 IBM Business Consulting Services paper titled "The Maturing Workforce" refers to baby-boomer employees as "gray hairs" and "old heads." Read the full report.

In a little-noticed paper issued in 2006 by the London office of one of the company's consulting arms, executives praised boomers' experience, but described them as "gray hairs" and "old heads." While recognizing that older workers were important to high-tech employers such as IBM, it concluded that "successor generations … are generally much more innovative and receptive to technology than baby boomers."

The paper was subsequently cited in an age discrimination lawsuit in U.S. District Court in Pennsylvania. Before the complaint was settled last year, the plaintiffs alleged in a filing: "IBM's Boomer employees — being labeled by IBM's own research as uncollaborative, skeptical of leadership, technologically unsophisticated, less innovative and generally out of touch with IBM's brand, customers and objectives — were shown the door in droves."

By the time IBM's current CEO, Virginia "Ginni" Rometty, took over in 2012, the company had shifted its personnel focus to millennials.

Rometty launched a major overhaul that aimed to make IBM a major player in the emerging technologies of cloud services, big data analytics, mobile, security and social media, or what came to be known inside as CAMS.

At the same time, she sought to sharply increase hiring of people born after 1980.

"CAMS are driven by Millennial Traits," declared a slide presentation for an invitation-only IBM event in New York in December 2014. Not only were millennials in sync with the new technologies, but they were also attuned to the collaborative, consensus-driven modes of work these technologies demanded, company researchers said they'd discovered. Millennials "are not likely to make decisions in isolation," the presentation said, but instead "depend on analytic technologies to help them."

By contrast, people 50 or over are "more dubious" of analytics, "place less stock in the advantages data offers," and are less "motivated to consult their colleagues or get their buy in … It's Baby Boomers who are the outliers."

The message was clear. To succeed at the new technologies, the company must, in the words of the presentation, "become one with the Millennial mindset." Similar language found its way into a variety of IBM presentations in subsequent years.

Even before the New York conference, IBM had begun a major effort to recruit millennial employees. It launched a blog, "The Millennial Experience," and a hashtag on Twitter, #IBMillennial." It began an online and print advertising campaign primarily featuring young people. It established a "Millennial Corps," a network of more than

5,000 young IBMers whom Rometty and other top executives said they'd regularly consult before making business decisions. And it sharply improved benefits, like parental leave, especially important to younger employees.

Its initiatives won IBM plaudits from women's groups; lesbian, gay, bisexual and transgender organizations; human rights and disability associations; indeed advocates for just about every class of people protected under U.S. equal employment opportunity laws.

And the entire effort was guided by something that then-IBM brand strategist Bill Grady told the 2014 conference: "What's good for Millennials is good for everyone."

Exit Strategy

AS IBM TRAINED ITS SIGHTS on younger workers, it also took steps to change the way it dealt with those who'd spent many years on the job. It embraced a legal strategy that made it much easier for the company to dismiss older workers, and to do so in ways that minimized legal consequences and largely avoided public attention.

Until 2014, IBM had provided two lists to workers getting laid off. One showed the positions and ages, but not the names, of all the people laid off from their business units at the same time. The other showed the positions and ages of all those staying on. For example, Madfis, the digital marketing strategist, got a list when she was let go in July 2013.

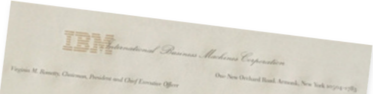
Such lists are common in corporate layoffs, thanks to a disclosure requirement added to the ADEA in 1990. The reason for the new rule was that virtually all employers had begun making severance pay and other parting benefits contingent on a laid-off worker signing away the right to sue the company. Congress wanted to make sure that before employees signed such waivers they understood enough to make "knowing and voluntary" decisions about whether they might have been targeted because of their age.

IBM complied with the disclosure requirement for more than two decades. As a result, even when the company stopped disclosing its U.S. employment totals — and thus its job cuts — the numbers still became known as employees collected and tallied the number of layoffs from lists provided to workers by various company units.

ONE DEPARTURE, TWO LETTERS

Just a few months after receiving a layoff notice, the same employee received a congratulatory letter about retiring.

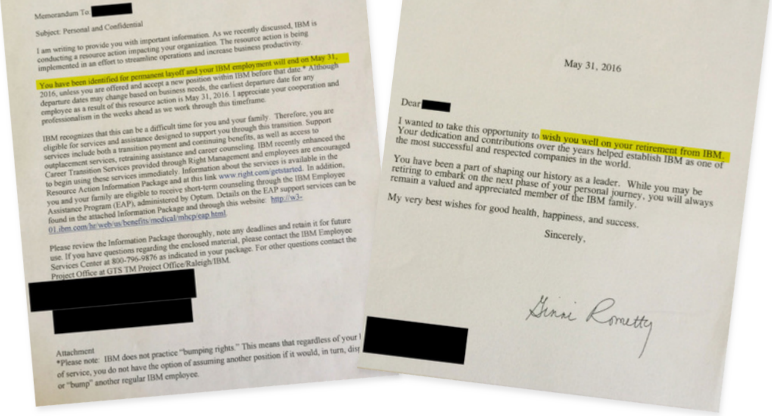
March 2, 2016



International Business Machines Corporation

Virginia M. Rometty, Chairman, President and Chief Executive Officer

One New Orchard Road, Armonk, New York 10504-1783



Memorandum To: [redacted]

Subject: Personal and Confidential

I am writing to provide you with important information. As we recently discussed, IBM is conducting a resource action impacting your organization. The resource action is being implemented in an effort to streamline operations and increase business productivity.

You have been identified for permanent layoff and your IBM employment will end on May 31, 2016, unless you are offered and accept a new position within IBM before that date.* Although departure dates may change based on business needs, the earliest departure date for any employee as a result of this resource action is May 31, 2016. I appreciate your cooperation and professionalism in the weeks ahead as we work through this timeframe.

IBM recognizes that this can be a difficult time for you and your family. Therefore, you are eligible for services and assistance designed to support you through this transition. Support services include both a transition payment and continuing benefits, as well as access to outplacement services, retraining assistance and career counseling. IBM recently enhanced the Career Transition Services provided through Right Management and employees are encouraged to begin using these services immediately. Information about the services is available in the Resource Action Information Package and at this link www.right.com/getstarted. In addition, you and your family are eligible to receive short-term counseling through the IBM Employee Assistance Program (EAP), administered by Optum. Details on the EAP support services can be found in the attached Information Package and through this website: http://w3-01.ibm.com/hr/web/us/benefits/medical/mhcp/eap.html.

Please review the Information Package thoroughly, note any deadlines and retain it for future use. If you have questions regarding the enclosed material, please contact the IBM Employee Services Center at 800-796-9876 as indicated in your package. For other questions contact the Project Office at GTS TM Project Office/Raleigh/IBM.

[redacted]

Attachment

*Please note: IBM does not practice "bumping rights." This means that regardless of your l

of service, you do not have the option of assuming another position if it would, in turn, disp

or "bump" another regular IBM employee.

May 31, 2016

Dear [redacted]

I wanted to take this opportunity to wish you well on your retirement from IBM. Your dedication and contributions over the years helped establish IBM as one of the most successful and respected companies in the world.

You have been a part of shaping our history as a leader. While you may be retiring to embark on the next phase of your personal journey, you will always remain a valued and appreciated member of the IBM family.

My very best wishes for good health, happiness, and success.

Sincerely,

Ginni Rometty

[redacted]

So after it ran into political flak for its workforce reductions, IBM decided to stop giving out the lists. When Diane Moos, 62, of Long Beach, California, lost her job as a systems security specialist in May 2016, she had no way of knowing how many people had been laid off with her, or their ages.

IBM spokesman Doug Shelton said at the time the company was acting out of concern for its workers who had complained the disclosures "infringed on employee privacy" — even though the lists contained no names.

How did IBM get around the legal requirement for the disclosures? With a move that even critics acknowledge is ingenious.

The company's pre-2014 layoff documents required employees receiving severance to waive all bias claims based on "race, national origin, ancestry, color, creed, religion, sex, sexual orientation, pregnancy, marital status, age … disability, medical condition, or veteran status." The new documents deleted "age" from the waiver list. In fact, they specifically said employees were *not* waiving their right when it came to age and *could* pursue age discrimination cases against the company.

But, the new documents added, employees had to waive the right to take their age cases to court. Instead, they had to pursue them through private arbitration. What's more, they had to keep them confidential and pursue them alone. They couldn't join with other workers to make a case.

With the new documents in place, IBM was no longer asking laid-off workers to sign away their right to complain about age bias so, the company's lawyers told the EEOC, the disclosure requirement in the 1990 amendments to the age act no longer applied.

Critics say the company's argument is hard to square with the statute's clear requirements.

"You have a law that says older workers being laid off need this information and employers are obligated to provide it. You have a company that's not providing it," said David Lopez, the former general counsel for the EEOC. "How can this not be undercutting the intent of the law?"

In their relationships with both workers and customers, American corporations are making increasingly heavy use of arbitration, contending the process is fair and saves all parties time and legal costs. The Supreme Court has repeatedly expanded the right of companies to require that disputes be settled by arbitrators rather than judges.

When it comes to employment claims, studies have found that arbitrators overwhelmingly favor employers. Research by Cornell University law and labor relations specialist Alexander Colvin found that workers win only 19 percent of the time when their cases are arbitrated. By contrast, they win 36 percent of the time when they go to federal court, and 57 percent in state courts. Average payouts when an employee wins follow a similar pattern.

Given those odds, and having signed away their rights to go to court, some laid-off IBM workers have chosen the one independent forum companies can't deny them: the U.S. Equal Employment Opportunity Commission. That's where Moos, the Long Beach systems security specialist, and several of her colleagues, turned for help when they were laid off. In their complaints to the agency, they said they'd suffered age discrimination because of the company's effort to "drastically change the IBM employee age mix ... to be seen as a startup."

In its formal reply to the EEOC, IBM said that age couldn't have been a factor in their dismissals. Among the reasons it cited: The managers who decided on the layoffs were in their 40s and therefore older too.

IBM
LIFT
AND
SHIFT.

Tilting the Table

WHETHER IBM IS STAYING WITHIN U.S. age laws as it cuts from and adds to its workforce turns largely on how and why the company chooses individuals to be eliminated. While executives say they never target older workers, internal company documents and interviews suggest otherwise.

Consider, for example, a planning presentation that former IBM executives said was drafted by heads of a business unit carved out of IBM's once-giant software group and charged with pursuing the "C," or cloud, portion of the company's CAMS strategy.

The presentation laid out plans for substantially altering the unit's workforce. It was shown to company leaders including Diane Gherson, the senior vice president for human resources, and James Kavanaugh, recently elevated to chief financial officer. Its language was couched in the argot of "resources," IBM's term for employees, and "EP's," its shorthand for early professionals or recent college graduates.

Among the goals: "Shift headcount mix towards greater % of Early Professional hires."

Among the means: “[D]rive a more aggressive performance management approach to enable us to hire and replace where needed, and fund an influx of EPs to correct seniority mix.”

Among the expected results: “[A] significant reduction in our workforce of 2,500 resources.”

A slide from a similar presentation prepared last spring for the same leaders called for “re-profiling current talent” to “create room for new talent.” Presentations for 2015 and 2016 for the 50,000-employee software group also included plans for “aggressive performance management” and emphasized the need to “maintain steady attrition to offset hiring.”

IBM declined to answer questions about whether either presentation was turned into company policy. The description of the planned moves matches what hundreds of older ex-employees told ProPublica they believe happened to them: They were ousted because of their age. The company used their exits to hire replacements, many of them young; to ship their work overseas; or to cut its overall headcount.

Ed Alpern, now 65, of Austin, started his 39-year run with IBM as a Selectric typewriter repairman. He ended as a project manager in October of 2016 when, he said, his manager told him he could either leave with severance and other parting benefits or be given a bad job review — something he said he’d never previously received — and risk being fired without them.

Albert Poggi, now 70, was a three-decade IBM veteran and ran the company’s Palisades, New York, technical center where clients can test new products. When notified in November of 2016 he was losing his job to layoff, he asked his bosses why, given what he said was a history of high job ratings. “They told me,” he said, “they needed to fill it with someone newer.”

The presentations from the software group, as well as the stories of ex-employees like Alpern and Poggi, square with internal documents from two other major IBM business units. The documents for all three cover some or all of the years from 2013 through the beginning of 2018 and deal with job assessments, hiring, firing and layoffs.

The documents detail practices that appear at odds with how IBM says it treats its employees. In many instances, the practices in effect, if not intent, tilt against the company’s older U.S. workers.

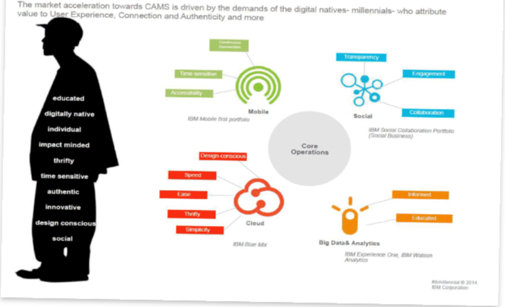
For example, IBM spokespeople and lawyers have said the company never considers a worker’s age in making decisions about layoffs or firings.

But one 2014 document reviewed by ProPublica includes dates of birth. An ex-IBM employee familiar with the process said executives from one business unit used it to decide about layoffs or other job changes for nearly a thousand workers, almost two-thirds of them over 50.

Documents from subsequent years show that young workers are protected from cuts for at least a limited period of time. A 2016 slide presentation prepared by the company’s global technology services unit, titled “U.S. Resource Action Process” and used to guide managers in layoff procedures, includes bullets for categories considered “ineligible” for layoff. Among them: “early professional hires,” meaning recent college graduates.

IBM

CAMS are driven by Millennial Traits



The market acceleration towards CAMS is driven by the demands of the digital natives- millennials- who attribute value to User Experience, Connection and Authenticity and more

#ibmillennial © 2014 IBM Corporation

This slide, from an invitation-only IBM conference in New York in December 2014, suggests that the company's future success in marketing emerging technologies depended on how well it understood and embraced the generation born after 1980.

In responding to age-discrimination complaints that ex-employees file with the EEOC, lawyers for IBM say that front-line managers make all decisions about who gets laid off, and that their decisions are based strictly on skills and job performance, not age.

But ProPublica reviewed spreadsheets that indicate front-line managers hardly acted alone in making layoff calls. Former IBM managers said the spreadsheets were prepared for upper-level executives and kept continuously updated. They list hundreds of employees together with codes like "lift and shift," indicating that their jobs were to be lifted from them and shifted overseas, and details such as whether IBM's clients had approved the change.

An examination of several of the spreadsheets suggests that, whatever the criteria for assembling them, the resulting list of those marked for layoff was skewed toward older workers. A 2016 spreadsheet listed more than 400 full-time U.S. employees under the heading "REBAL," which refers to "rebalancing," the process that can lead to laying off workers and either replacing them or shifting the jobs overseas. Using the job search site LinkedIn, ProPublica was able to locate about 100 of these employees and then obtain their ages through public records. Ninety percent of those found were 40 or older. Seventy percent were over 50.

IBM frequently cites its history of encouraging diversity in its responses to EEOC complaints about age discrimination. "IBM has been a leader in taking positive actions to ensure its business opportunities are made available to individuals without regard to age, race, color, gender, sexual orientation and other categories," a lawyer for the company wrote in a May 2017 letter. "This policy of non-discrimination is reflected in all IBM business activities."

But ProPublica found at least one company business unit using a point system that disadvantaged older workers. The system awarded points for attributes valued by the company. The more points a person garnered, according to the former employee, the more protected she or he was from layoff or other negative job change; the fewer points, the more vulnerable.

The arrangement appears on its face to favor younger newcomers over older veterans. Employees were awarded points for being relatively new at a job level or in a particular role. Those who worked for IBM for fewer years got more points than those who'd been there a long time.

The ex-employee familiar with the process said a 2014 spreadsheet from that business unit, labeled "IBM Confidential," was assembled to assess the job prospects of more than 600 high-level employees, two-thirds of them from the U.S. It included employees' years of service with IBM, which the former employee said was used internally as a proxy for age. Also listed was an assessment by their bosses of their career trajectories as measured by the highest job level they were likely to attain if they remained at the company, as well as their point scores.

The tilt against older workers is evident when employees’ years of service are compared with their point scores. Those with no points and therefore most vulnerable to layoff had worked at IBM an average of more than 30 years; those with a high number of points averaged half that.

Perhaps even more striking is the comparison between employees’ service years and point scores on the one hand and their superiors’ assessments of their career trajectories on the other.

Along with many American employers, IBM has argued it needs to shed older workers because they’re no longer at the top of their games or lack “contemporary” skills.

But among those sized up in the confidential spreadsheet, fully 80 percent of older employees — those with the most years of service but no points and therefore most vulnerable to layoff — were rated by superiors as good enough to stay at their current job levels or be promoted. By contrast, only a small percentage of younger employees with a high number of points were similarly rated.

“No major company would use tools to conduct a layoff where a disproportionate share of those let go were African Americans or women,” said Cathy Ventrell-Monsees, senior attorney adviser with the EEOC and former director of age litigation for the senior lobbying giant AARP. “There’s no difference if the tools result in a disproportionate share being older workers.”

In addition to the point system that disadvantaged older workers in layoffs, other documents suggest that IBM has made increasingly aggressive use of its job-rating machinery to pave the way for straight-out firings, or what the company calls “management-initiated separations.” Internal documents suggest that older workers were especially targets.

Like in many companies, IBM employees sit down with their managers at the start of each year and set goals for themselves. IBM graded on a scale of 1 to 4, with 1 being top-ranked.

Those rated as 3 or 4 were given formal short-term goals known as personal improvement plans, or PIPs. Historically many managers were lenient, especially toward those with 3s whose ratings had dropped because of forces beyond their control, such as a weakness in the overall economy, ex-employees said.

ERODING PROTECTION UNDER THE LAW

Older Americans who face discrimination on the job can’t rely on the courts as much as earlier generations did. Read more.

But within the past couple of years, IBM appears to have decided the time for leniency was over. For example, a software group planning document for 2015 said that, over and above layoffs, the unit should seek to fire about 3,000 of the unit’s 50,000-plus workers.

To make such deep cuts, the document said, executives should strike an “aggressive performance management posture.” They needed to double the share of employees given low 3 and 4 ratings to at least 6.6 percent of the division’s workforce. And because layoffs cost the company more than outright dismissals or resignations, the document said, executives should make sure that more than 80 percent of those with low ratings get fired or forced to quit.

Finally, the 2015 document said the division should work “to attract the best and brightest early professionals” to replace up to two-thirds of those sent packing. A more recent planning document — the presentation to top executives Gherson and Kavanaugh for a business unit carved out of the software group — recommended using similar techniques to free up money by cutting current employees to fund an “influx” of young workers.

In a recent interview, Poggi said he was resigned to being laid off. “Everybody at IBM has a bullet with their name on it," he said. Alpern wasn't nearly as accepting of being threatened with a poor job rating and then fired.

Alpern had a particular reason for wanting to stay on at IBM, at least until the end of last year. His younger son, Justin, then a high school senior, had been named a National Merit semifinalist. Alpern wanted him to be able to apply for one of the company's Watson scholarships. But IBM had recently narrowed eligibility so only the children of current employees could apply, not also retirees as it was until 2014.

Alpern had to make it through December for his son to be eligible.

But in August, he said, his manager ordered him to retire. He sought to buy time by appealing to superiors. But he said the manager's response was to threaten him with a bad job review that, he was told, would land him on a PIP, where his work would be scrutinized weekly. If he failed to hit his targets — and his managers would be the judges of that — he'd be fired and lose his benefits.

Alpern couldn't risk it; he retired on Oct. 31. His son, now a freshman on the dean's list at Texas A&M University, didn't get to apply.

"I can think of only a couple regrets or disappointments over my 39 years at IBM,"" he said, "and that's one of them."

'Congratulations on Your Retirement!'

LIKE ANY COMPANY IN THE U.S., IBM faces few legal constraints to reducing the size of its workforce. And with its no-disclosure strategy, it eliminated one of the last regular sources of information about its employment practices and the changing size of its American workforce.

But there remained the question of whether recent cutbacks were big enough to trigger state and federal requirements for disclosure of layoffs. And internal documents, such as a slide in a 2016 presentation titled "Transforming to Next Generation Digital Talent," suggest executives worried that "winning the talent war" for new young workers required IBM to improve the "attractiveness of (its) culture and work environment," a tall order in the face of layoffs and firings.

So the company apparently has sought to put a softer face on its cutbacks by recasting many as voluntary rather than the result of decisions by the firm. One way it has done this is by converting many layoffs to retirements.

Some ex-employees told ProPublica that, faced with a layoff notice, they were just as happy to retire. Others said they felt forced to accept a retirement package and leave. Several actively objected to the company treating their ouster as a retirement. The company nevertheless processed their exits as such.

Project manager Ed Alpern's departure was treated in company paperwork as a voluntary retirement. He didn't see it that way, because the alternative he said he was offered was being fired outright.

Lorilynn King, a 55-year-old IT specialist who worked from her home in Loveland, Colorado, had been with IBM almost as long as Alpern by May 2016 when her manager called to tell her the company was conducting a layoff and her name was on the list.

King said the manager told her to report to a meeting in Building 1 on IBM's Boulder campus the following day. There, she said, she found herself in a group of other older employees being told by an IBM human resources representative that they'd all be retiring. "I have NO intention of retiring," she remembers responding. "I'm being laid off."

ProPublica has collected documents from 15 ex-IBM employees who got layoff notices followed by a retirement package and has talked with many others who said they received similar paperwork. Critics say the sequence doesn't square well with the law.

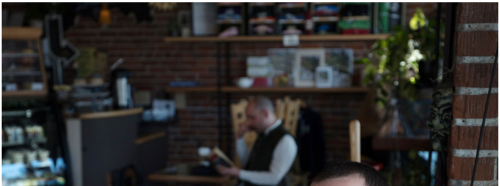
"This country has banned mandatory retirement," said Seiner, the University of South Carolina law professor and former EEOC appellate lawyer. "The law says taking a retirement package has to be voluntary. If you tell somebody 'Retire or we'll lay you off or fire you,' that's not voluntary."

Until recently, the company's retirement paperwork included a letter from Rometty, the CEO, that read, in part, "I wanted to take this opportunity to wish you well on your retirement … While you may be retiring to embark on the next phase of your personal journey, you will always remain a valued and appreciated member of the IBM family." Ex-employees said IBM stopped sending the letter last year.

IBM has also embraced another practice that leads workers, especially older ones, to quit on what appears to be a voluntary basis. It substantially reversed its pioneering support for telecommuting, telling people who've been working from home for years to begin reporting to certain, often distant, offices. Their other choice: Resign.

David Harlan had worked as an IBM marketing strategist from his home in Moscow, Idaho, for 15 years when a manager told him last year of orders to reduce the performance ratings of everybody at his pay grade. Then in February last year, when he was 50, came an internal video from IBM's new senior vice president, Michelle Peluso, which announced plans to improve the work of marketing employees by ordering them to work "shoulder to shoulder." Those who wanted to stay on would need to "co-locate" to offices in one of six cities.

Early last year, Harlan received an email congratulating him on "the opportunity to join your team in Raleigh, North Carolina." He had 30 days to decide on the 2,600-mile move. He resigned in June.



David Harlan worked for IBM for 15 years from his home in Moscow, Idaho, where he also runs a drama company. Early last year, IBM offered him a choice: Move 2,600 miles to Raleigh-Durham to begin working at an office, or resign. He left in June. (Rajah Bose for ProPublica)

After the Peluso video was leaked to the press, an IBM spokeswoman told the Wall Street Journal that the "vast majority" of people ordered to change locations and begin reporting to offices did so. IBM Vice President Ed Barbini said in an initial email exchange with ProPublica in July that the new policy affected only about 2,000 U.S. employees and that "most" of those had agreed to move.

But employees across a wide range of company operations, from the systems and technology group to analytics, told ProPublica they've also been ordered to co-locate in recent years. Many IBMers with long service said that they quit rather than sell their homes, pull children from school and desert aging parents. IBM declined to say how many older employees were swept up in the co-location initiative.

"They basically knew older employees weren't going to do it," said Eileen Maroney, a 63-year-old IBM product manager from Aiken, South Carolina, who, like Harlan, was ordered to move to Raleigh or resign. "Older people aren't going to move. It just doesn't make any sense." Like Harlan, Maroney left IBM last June.

Having people quit rather than being laid off may help IBM avoid disclosing how much it is shrinking its U.S. workforce and where the reductions are occurring.

Under the federal WARN Act, adopted in the wake of huge job cuts and factory shutdowns during the 1980s, companies laying off 50 or more employees who constitute at least one-third of an employer's workforce at a site have to give advance notice of layoffs to the workers, public agencies and local elected officials.

Similar laws in some states where IBM has a substantial presence are even stricter. California, for example, requires advanced notice for layoffs of 50 or more employees, no matter what the share of the workforce. New York requires notice for 25 employees who make up a third.

Because the laws were drafted to deal with abrupt job cuts at individual plants, they can miss reductions that occur over long periods among a workforce like IBM's that was, at least until recently, widely dispersed because of the company's work-from-home policy.

IBM's training sessions to prepare managers for layoffs suggest the company was aware of WARN thresholds, especially in states with strict notification laws such as California. A 2016 document entitled "Employee Separation Processing" and labeled "IBM

Confidential" cautions managers about the "unique steps that must be taken when processing separations for California employees."

A ProPublica review of five years of WARN disclosures for a dozen states where the company had large facilities that shed workers found no disclosures in nine. In the other three, the company alerted authorities of just under 1,000 job cuts — 380 in California, 369 in New York and 200 in Minnesota. IBM's reported figures are well below the actual number of jobs the company eliminated in these states, where in recent years it has shuttered, sold off or leveled plants that once employed vast numbers.

By contrast, other employers in the same 12 states reported layoffs last year alone totaling 215,000 people. They ranged from giant Walmart to Ostrom's Mushroom Farms in Washington state.

Whether IBM operated within the rules of the WARN act, which are notoriously fungible, could not be determined because the company declined to provide ProPublica with details on its layoffs.

A Second Act, But Poorer

WITH 35 YEARS AT IBM under his belt, Ed Miyoshi had plenty of experience being pushed to take buyouts, or early retirement packages, and refusing them. But he hadn't expected to be pushed last fall.

Miyoshi, of Hopewell Junction, New York, had some years earlier launched a pilot program to improve IBM's technical troubleshooting. With the blessing of an IBM vice president, he was busily interviewing applicants in India and Brazil to staff teams to roll the program out to clients worldwide.

The interviews may have been why IBM mistakenly assumed Miyoshi was a manager, and so emailed him to eliminate the one U.S.-based employee still left in his group.

"That was me," Miyoshi realized.

In his sign-off email to colleagues shortly before Christmas 2016, Miyoshi, then 57, wrote: "I am too young and too poor to stop working yet, so while this is good-bye to my IBM career, I fully expect to cross paths with some of you very near in the future."

He did, and perhaps sooner than his colleagues had expected; he started as a subcontractor to IBM about two weeks later, on Jan. 3.

Miyoshi is an example of older workers who've lost their regular IBM jobs and been brought back as contractors. Some of them — not Miyoshi — became contract workers after IBM told them their skills were out of date and no longer needed.

Employment law experts said that hiring ex-employees as contractors can be legally dicey. It raises the possibility that the layoff of the employee was not for the stated reason but perhaps because they were targeted for their age, race or gender.

IBM appears to recognize the problem. Ex-employees say the company has repeatedly told managers — most recently earlier this year — not to contract with former employees or sign on with third-party contracting firms staffed by ex-IBMers. But ProPublica turned up dozens of instances where the company did just that.

Only two weeks after IBM laid him off in December 2016, Ed Miyoshi of Hopewell Junction, New York, started work as a subcontractor to the company. But he took a $20,000-a-year pay cut. "I'm not a millionaire, so that's a lot of money to me," he says. (Demetrius Freeman for ProPublica)

Responding to a question in a confidential questionnaire from ProPublica, one 35-year company veteran from New York said he knew exactly what happened to the job he left behind when he was laid off. "I'M STILL DOING IT. I got a new gig eight days after departure, working for a third-party company under contract to IBM doing the exact same thing."

In many cases, of course, ex-employees are happy to have another job, even if it is connected with the company that laid them off.

Henry, the Columbus-based sales and technical specialist who'd been with IBM's "resiliency services" unit, discovered that he'd lost his regular IBM job because the company had purchased an Indian firm that provided the same services. But after a year out of work, he wasn't going to turn down the offer of a temporary position as a subcontractor for IBM, relocating data centers. It got money flowing back into his household and got him back where he liked to be, on the road traveling for business.

The compensation most ex-IBM employees make as contractors isn't comparable. While Henry said he collected the same dollar amount, it didn't include health insurance, which cost him $1,325 a month. Miyoshi said his paycheck is 20 percent less than what he made as an IBM regular.

"I took an over $20,000 hit by becoming a contractor. I'm not a millionaire, so that's a lot of money to me," Miyoshi said.

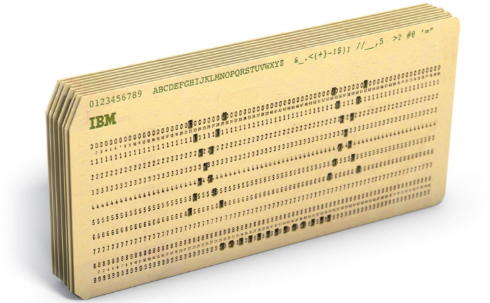
And lower pay isn't the only problem ex-IBM employees-now-subcontractors face. This year, Miyoshi's payable hours have been cut by an extra 10 "furlough days." Internal documents show that IBM repeatedly furloughs subcontractors without pay, often for two, three or more weeks a quarter. In some instances, the furloughs occur with little advance notice and at financially difficult moments. In one document, for example, it appears IBM managers, trying to cope with a cost overrun spotted in mid-November, planned to dump dozens of subcontractors through the end of the year, the middle of the holiday season.

Former IBM employees now on contract said the company controls costs by notifying contractors in the midst of projects they have to take pay cuts or lose the work. Miyoshi said that he originally started working for his third-party contracting firm for 10 percent less than at IBM, but ended up with an additional 10 percent cut in the middle of 2017, when IBM notified the contractor it was slashing what it would pay.

For many ex-employees, there are few ways out. Henry, for example, sought to improve his chances of landing a new full-time job by seeking assistance to finish a college degree through a federal program designed to retrain workers hurt by offshoring of jobs.

But when he contacted the Ohio state agency that administers the Trade Adjustment Assistance, or TAA, program, which provides assistance to workers who lose their jobs for trade-related reasons, he was told IBM hadn't submitted necessary paperwork. State officials said Henry could apply if he could find other IBM employees who were laid off with him, information that the company doesn't provide.

TAA is overseen by the Labor Department but is operated by states under individual agreements with Washington, so the rules can vary from state to state. But generally employers, unions, state agencies and groups of employers can petition for training help and cash assistance. Labor Department data compiled by the advocacy group Global Trade Watch shows that employers apply in about 40 percent of cases. Some groups of IBM workers have obtained retraining funds when they or their state have applied, but records dating back to the early 1990s show IBM itself has applied for and won taxpayer assistance only once, in 2008, for three Chicago-area workers whose jobs were being moved to India.



Teasing New Jobs

AS IBM ELIMINATED THOUSANDS of jobs in 2016, David Carroll, a 52-year-old Austin software engineer, thought he was safe.

His job was in mobile development, the "M" in the company's CAMS strategy. And if that didn't protect him, he figured he was only four months shy of qualifying for a program that gives employees who leave within a year of their three-decade mark access to retiree medical coverage and other benefits.

But the layoff notice Carroll received March 2 gave him three months — not four — to come up with another job. Having been a manager, he said he knew the gantlet he'd have to run to land a new position inside IBM.

Still, he went at it hard, applying for more than 50 IBM jobs, including one for a job he'd successfully done only a few years earlier. For his effort, he got one offer — the week after he'd been forced to depart. He got severance pay but lost access to what would have been more generous benefits.

Edward Kishkill, then 60, of Hillsdale, New Jersey, had made a similar calculation.

A senior systems engineer, Kishkill recognized the danger of layoffs, but assumed he was immune because he was working in systems security, the "S" in CAMS and another hot area at the company.

The precaution did him no more good than it had Carroll. Kishkill received a layoff notice the same day, along with 17 of the 22 people on his systems security team, including Diane Moos. The notice said that Kishkill could look for other jobs internally. But if he hadn't landed anything by the end of May, he was out.

With a daughter who was a senior in high school headed to Boston University, he scrambled to apply, but came up dry. His last day was May 31, 2016.

For many, the fruitless search for jobs within IBM is the last straw, a final break with the values the company still says it embraces. Combined with the company's increasingly frequent request that departing employees train their overseas replacements, it has left many people bitter. Scores of ex-employees interviewed by ProPublica said that managers with job openings told them they weren't allowed to hire from layoff lists without getting prior, high-level clearance, something that's almost never given.

ProPublica reviewed documents that show that a substantial share of recent IBM layoffs have involved what the company calls "lift and shift," lifting the work of specific U.S. employees and shifting it to specific workers in countries such as India and Brazil. For example, a document summarizing U.S. employment in part of the company's global technology services division for 2015 lists nearly a thousand people as layoff candidates, with the jobs of almost half coded for lift and shift.

Ex-employees interviewed by ProPublica said the lift-and-shift process required their extensive involvement. For example, shortly after being notified she'd be laid off, Kishkill's colleague, Moos, was told to help prepare a "knowledge transfer" document and begin a round of conference calls and email exchanges with two Indian IBM employees who'd be taking over her work. Moos said the interactions consumed much of her last three months at IBM.

Next Chapters

WHILE IBM HAS MANAGED to keep the scale and nature of its recent U.S. employment cuts largely under the public's radar, the company drew some unwanted attention during the 2016 presidential campaign, when then-candidate Donald Trump lambasted it for eliminating 500 jobs in Minnesota, where the company has had a presence for a half century, and shifting the work abroad.

The company also has caught flak — in places like Buffalo, New York; Dubuque, Iowa; Columbia, Missouri, and Baton Rouge, Louisiana — for promising jobs in return for state and local incentives, then failing to deliver. In all, according to public officials in those and other places, IBM promised to bring on 3,400 workers in exchange for as much as $250 million in taxpayer financing but has hired only about half as many.

After Trump's victory, Rometty, in a move at least partly aimed at courting the president-elect, pledged to hire 25,000 new U.S. employees by 2020. Spokesmen said the hiring would increase IBM's U.S. employment total, although, given its continuing job cuts, the addition is unlikely to approach the promised hiring total.

When The New York Times ran a story last fall saying IBM now has more employees in India than the U.S., Barbini, the corporate spokesman, rushed to declare, "The U.S. has always been and remains IBM's center of gravity." But his stream of accompanying tweets and graphics focused as much on the company's record for racking up patents as hiring people.

IBM has long been aware of the damage its job cuts can do to people. In a series of internal training documents to prepare managers for layoffs in recent years, the company has included this warning: "Loss of a job … often triggers a grief reaction similar to what occurs after a death."

Most, though not all, of the ex-IBM employees with whom ProPublica spoke have weathered the loss and re-invented themselves.

Marjorie Madfis, the digital marketing strategist, couldn't land another tech job after her 2013 layoff, so she headed in a different direction. She started a nonprofit called Yes She Can Inc. that provides job skills development for young autistic women, including her 21-year-old daughter.

After almost two years of looking and desperate for useful work, Brian Paulson, the widely traveled IBM senior manager, applied for and landed a position as a part-time rural letter carrier in Plano, Texas. He now works as a contract project manager for a Las Vegas gaming and lottery firm.

Ed Alpern, who started at IBM as a Selectric typewriter repairman, watched his son go on to become a National Merit Scholar at Texas A&M University, but not a Watson scholarship recipient.

Lori King, the IT specialist and 33-year IBM veteran who's now 56, got in a parting shot. She added an addendum to the retirement papers the firm gave her that read in part: "It was never my plan to retire earlier than at least age 60 and I am not committing to retire. I have been informed that I am impacted by a resource action effective on 2016-08-22, which is my last day at IBM, but I am NOT retiring."

King has aced more than a year of government-funded coding boot camps and university computer courses, but has yet to land a new job.

David Harlan still lives in Moscow, Idaho, after refusing IBM's "invitation" to move to North Carolina, and is artistic director of the Moscow Art Theatre (Too).

Ed Miyoshi is still a technical troubleshooter working as a subcontractor for IBM.

Ed Kishkill, the senior systems engineer, works part time at a local tech startup, but pays his bills as an associate at a suburban New Jersey Staples store.

This year, Paul Henry was back on the road, working as an IBM subcontractor in Detroit, about 200 miles from where he lived in Columbus. On Jan. 8, he put in a 14-hour day and said he planned to call home before turning in. He died in his sleep.

Correction, March 24, 2018: *Eileen Maroney lives in Aiken, South Carolina. The name of her city was incorrect in the original version of this story.*

DO YOU HAVE INFORMATION ABOUT AGE DISCRIMINATION AT IBM?

Let us know.

Peter Gosselin joined ProPublica as a contributing reporter in January 2017 to cover aging. He has covered the U.S. and global economies for, among others, the Los Angeles Times and The Boston Globe, focusing on the lived experiences of working people. He is the author of "High Wire: The Precarious Financial Lives of American Families."

Ariana Tobin is an engagement reporter at ProPublica, where she works to cultivate communities to inform our coverage. She was previously at The Guardian and WNYC. Ariana has also worked as digital producer for APM's Marketplace and contributed to outlets including The New Republic, On Being, the St. Louis Beacon and Bustle.

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266 Comments ProPublica Walt Tuvell

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Join the discussion…

Walt Tuvell • a day ago

I can personally attest to bad employment practices at IBM -- followed by even worse judicial misconduct in the Federal Courts. I've even got a website devoted to it (see signature line below, esp. the Smoking Gun). NB: You'll need some nontrivial legal background to understand this case; if you're not quite up to snuff on that yet, please first read the Introduction on my website before trying to scotch my case (hint: you won't be able to).

--- Walter Tuvell (PhD, MIT & U.Chicago, Math & CompSci -- hence, "not-a-crank")
--- http://JudicialMisconduct.US (esp., .../CaseStudies/WETvIBM#smokinggun and environs)
*** Contact me, publicly or privately (walt.tuvell@gmail.com). "Ask Me Anything." ***

Edit • Reply • Share ›

Arthur Bremer Jr. • 2 days ago

1. Age discrimination is huge. I have worked at HP, IBM, and most recently Oracle. You simply don't see employees over 45 or 50 at any of those companies as individual contributors unless they made a corner office and LAID OFF ALL OF THEIR PEERS. Wander the halls of Oracle in Mountain View and they are primarily kids with a iPhone in their face.
2. When you on RA/WFR layoff list you are essentially treated with a terminal case of cancer AND head lice. No one will touch you. It happened to me twice at HP and Oracle.

I am 59 doing "consulting " now at 2/3 my previous pay. I can barely get a job interview. Most of my friends have retired at a similar age. I am fortune. I have a very comfortable stash of retirement but I can't guarantee it will last 30 years if I fully retire.

Reply • Share ›

John Smith • 2 days ago

Great article. Will make no difference what so ever because this world, and everyone who runs it, is as crooked as a question mark.

Reply • Share ›

> **John Smith** ➦ John Smith • 2 days ago
>
> Funny how it never seems to be any of the old timers in executive level positions getting the axe...
>
> Reply • Share ›
>
> > **Steve C** ➦ John Smith • 2 days ago
> >
> > In the Hewlett Packard I joined out of college almost 40 years ago, it was the senior executives who were essentially forced to retire at 60, and the rank and file who were allowed to stay on. Those were the days!
> >
> > Reply • Share ›
> >
> > **Anyone** ➦ John Smith • 2 days ago
> >
> > or in the government....no wonder there isn't any term limits, just a cushy job of doing nothing for Americans paid for by hard working Americans with benefits and kick backs from big corp. to pass laws harming Americans.
> >
> > Reply • Share ›

dec_62 • 4 days ago

This happened to me at the company I worked for in 2014. Same kind of deal, couldn't appeal. Now working contract work with no paid time off or sick leave, 20 K reduction in pay. When you hear about the "gig" economy and contract economy the workers that comprise it are many older workers who've gone through exactly this kind of experience.

Reply • Share ›

Sandy • 4 days ago

So what happens when the millennials start to gray?

Reply • Share ›

> **Anyone** ➦ Sandy • 4 days ago
>
> Unfortunately it wouldn't reach that (unless you're talking about overseas millennials where work was outsourced to). US millennials is just a stop gap until the mass export of tech jobs are sent overseas.
>
> Companies are already taken notice that we're sending so many in-experience people to them lately that they have stopped contracting.
>
> Reply • Share ›

fletchcoach • 4 days ago

I follow these stories as integral parts of job-search campaigns for my coaching clients. No prohibitions, just "heads up" as to whether one should expend time pursuing employers who don't want you. Here's one closer to home: my sister-in-law, now over 50, is a Delta flight attendant for many years and has the same story. Lived in San Diego, but was forced to drive to LA for flights, then forced to move to North Carolina to keep her job, and more importantly, her pension. This is rife.

1 • Reply • Share ›

900DeadWomen • 4 days ago

As those of us in the tail end of the Baby Boom near retirement, we will feel grateful to have the scat left by the hungry front.

Reply • Share ›

Paul V Sutera • 5 days ago

In 1994, I saved my job at IBM for the first time, and survived. But I was 36 years old. I sat down at the desk of a man in his 50s, and found a few odds and ends left for me in the desk. Almost 20 years later, it was my turn to go. My health and well-being is much better now. Less money but better health. The sins committed by management will always be: "I was just following orders".

1 • Reply • Share ›

Paul V Sutera • 5 days ago

There is one error: In the last 10 years IBM put about 1 billion into the pension fund during the 2008 downturn. They've spent over 50 billion on stock buybacks. So please don't call the pension plan "expensive". They slashed pensions of younger employees, and to have maintained them would have been a fraction of the cost of the recent stock buybacks.

1 ∧ | ∨ • Reply • Share ›

xn0 • 6 days ago

These practises are "interesting". And people still wonder why there are so many deadly amok runs at US companies? What do they expect when they replace old and experienced workers with inexperienced millenials, who often lack basic knowledge about their job? Better performance? This will run US tech companies into the ground. This sort of "american" HR management is gaining ground here in Germany as well, its troubling. And on top they have to compete against foreign tech immigrants from middle eastern and asian companies. Sure fire recipe for social unrest and people voting for right-wing parties.

∧ | ∨ • Reply • Share ›

Mary Parker • 6 days ago

Nicely done. Well written.

∧ | ∨ • Reply • Share ›

alb • 6 days ago

Excellent article. Glad I left before it became Logan’s Run.

∧ | ∨ • Reply • Share ›

Larry Cook • 7 days ago

One of my ex colleagues was quoted in the article and it is accurate. Now I'm facing the unemployment line after 21 years with IBM since my job is being relocated to Austin and I can't move due to my father in law's health issues.

∧ | ∨ • Reply • Share ›

AlmostNative • 7 days ago

Great article. And so so close to home. I worked at IBM for 23 years until I became yet another statistic -- caught up in one of their many "RA's" -- Resource Actions. I also can identify with the point about being encouraged to find a job internally yet hiring managers told to not hire. We were encouraged to apply for jobs outside the US -- Europe mainly -- as long as we were willing to move and work at the prevailing local wage rate. I was totally fine with that as my wife had been itching for some time for a chance to live abroad. I applied for several jobs across Europe using an internal system IBM set up just for that purpose. Never heard a word. Phone calls and internal e-mails to managers posting jobs in the internal system went unanswered. It turned out to be a total sham as far as I was concerned.

IBM has laid off hundreds of thousands in the last few decades. Think of the MILLIONS of children, spouses, brothers/sisters, aunts/uncles, and other family members of laid-off people that were affected. Those people are or will be business owners and in positions to make technology decisions. How many of them will think "Yeah, right, hire IBM. They're the company that screwed daddy/mommy". I fully expect -- and I fully hope -- that I live to see IBM go out of business. Which they will, sooner or later, as they are living off of past laurels -- billions in the bank, a big fat patent portfolio, and real estate that they continue to sell off or rent out. If you do hire IBM, you should fully expect that they'll send some 20-something out to your company a few weeks after you hire them, that person will be reading "XYZ for Dummys" on the plane on the way to your offices and will show up as your IBM 'expert'.

2 ∧ | ∨ • Reply • Share ›

Bob Gort • 7 days ago

Age discrimination has been standard operating procedure in IT for at least 30 years. And there are no significant consequences, if any consequences at all, for doing it in a blatant fashion. The companies just need to make sure the quota of H1B visas is increased when they are doing this on an IBM scale!

1 ∧ | ∨ • Reply • Share ›

900DeadWomen ➦ Bob Gort • 4 days ago

Age discrimination and a myriad other forms of discrimination have been standard operating procedure in the US. Period. Full stop. No need to equivocate.

∧ | ∨ • Reply • Share ›

Nick Lilovich • 9 days ago

Where is the discussion of pay? This is not age discrimination - it's pay discrimination. IBM has decided that these folks cost more than they have to pay.

∧ | ∨ • Reply • Share ›

nottigerwoods • 9 days ago

I too was a victim of IBM's underhanded trickery to get rid of people...39 years with IBM, a top performer. I never got a letter telling me to move to Raleigh. All i got was a phone call asking me if i wanted to take the 6 month exception to consider it. Yet, after taking the 6 month exception, I was told I could no longer move, the colocation was closed. Either I find another job, not in Marketing support (not even Marketing) or leave the company. I received no letter from Ginni, nothing. I was under the impression I could show up in Raleigh after the exception period. Not so. It was never explained....After 3 months I will begin contracting with IBM. Not because I like them, because I need the money...thanks for the article.

∧ | ∨ • Reply • Share ›

doncanard • 9 days ago

dropped in 2013 after 22 years. IBM stopped leading in the late 1980's, afterwards it implemented "market driven quality" which meant listen for the latest trends, see what other people were doing, and then buy the competition or drive them out of business. "Innovation that matters": it's only interesting if an IBM manager can see a way to monetize it. That's a low standard. It's OK, there are other places that are doing better. In fact, the best of the old experienced people went to work there. Newsflash: quality doesn't change with generations, you either create it or you don't. Sounds like IBM is building its product portfolio to match its desired workforce. And of course, on every round of layoffs, the clear criterion was people who were compliant and pliable - who's ready to follow orders ? Best of luck.

∧ | ∨ • Reply • Share ›

Anon • 9 days ago

Wait for a few years and we can see the same happening to "millenials".

And the women who run these companies are as shallow and ruthless as the sociopathic men.

1 ∧ | ∨ • Reply • Share ›

Charlie Bess • 9 days ago

Well written, but it's not just IBM. 'Being let go' has happened to me twice since I turned 55 at two different tech companies. In both cases, the explanation was vague but in a right-to-work state, they don't have to be more specific.

1 ∧ | ∨ • Reply • Share ›

Mary Malley • 9 days ago

Well written and accurate depiction of what happened to IBM's 'older' population over decades now. Sounds like the people who have already commented are made up of those of us that were part and parcel of that time in IBM when we lost that tenet that we so depended upon 'respect for the individual'. I loved my 33 years in IBM, it was a privilege to work with so many dedicated, smart, wonderful people....those high up in charge of IBM, eh, not so much!

∧ | ∨ • Reply • Share ›

james Foster • 9 days ago

Amazingly accurate article. The once great IBM now a dishonest and unscrupulous corporation concerned more about earnings per share than employees, customers, or social responsibility. In Global Services most likely 75% or more jobs are no longer in the US - can't believe a word coming out of Armonk.

2 ∧ | ∨ • Reply • Share ›

> **Philip Meyer** ➦ james Foster • 9 days ago
>
> I'm not sure there was ever a paradise in employment. Yeah, you can say there was more job stability 50 or 60 years ago, but that applied to a much smaller workforce than today (mostly white men). It is a drag, but there are also lot more of us old farts than there used to be and we live a lot longer in retirement as well. I don't see any magic bullet fix either.
>
> ∧ | ∨ • Reply • Share ›

matt10023 • 11 days ago

I expect HR departments around the country are reading this article and saying to themselves "Now, we didn't we think of this?"

HR, in case there was any doubt, is only about helping the company and not the employee. They are also among the stupidest people in the business.

2 ∧ | ∨ • Reply • Share ›

George A • 12 days ago

Warning to Google/Facebook/Apple etc. All you young people will get old. It's inevitable. Do you think those companies will take care of you?

1 ∧ | ∨ • Reply • Share ›

Charlie • 12 days ago

I am so very lucky that I declined their offer of employment. IBM is a problem that I did not need, and do not have. Thank heavens!

1 ∧ | ∨ • Reply • Share ›

J R Gordon • 12 days ago

Written by a muckraker who's sole objective is to further tear down an American organization working hard to compete in an open, global marketplace.

∧ | ∨ • Reply • Share ›

Belinda Flanagan • 12 days ago

Seems to me that every worker, in any large corporation should star planing to go on to a second career when they hit 35. Don't buy that big expensive house. Save more and have a contingency plan. Change will be the future.

⌃ | ⌄ • Reply • Share ›

Lorilynn King • 12 days ago

Ariana and Peter will be on NPR's "On Point" program on Wednesday, March 28. I believe the live broadcast is at 11 a.m. ET, but if you miss it you can listen to the podcast.

⌃ | ⌄ • Reply • Share ›

Timothy Breuer • 12 days ago

IBM lost the plot when it failed to capitalize on its innovation of the personal computer.

Microsoft stole leadership when it renege on its joint development of OS/2 with IBM, and published Windows 3.

IBM dominance (monopoly) in mainframes was based on vertical scaling (bigger and more powerful machines), but was undercut by UNIX (nearly free) which provided horizontal scaling (more but cheaper machines).

The Internet and globalization provided the opportunity to hire younger, less experienced personnel in India.

What was sold as Knowledge Management to US companies to replace their US workers, was the loss of Intellectual Assets.

⌃ | ⌄ • Reply • Share ›

This comment is awaiting moderation. Show comment.

North_40 ➦ Jarin Jove • 12 days ago

Speaking of 'worthless, stupid, a cancer to society', have you considered the dropping dead option? You really should!

1 ⌃ | ⌄ • Reply • Share ›

ArnieTracey ➦ North_40 • 12 days ago

Hear, hear! I'm thinking it's another broken-record sounding, divisive Russian.

⌃ | ⌄ • Reply • Share ›

John Mamuscia • 13 days ago

I was given the choice, retire or get a bad review and get fired, no severance. I retired and have not been employed since because of my age. Got news for these business people, experience trumps inexperience. Recently, I have developed several commercial Web sites using cloud technology. In your face ibm.

⌃ | ⌄ • Reply • Share ›

iman 3851 • 13 days ago

FB,Google,Amazon....same as IBM. Tendency in this country to push older people out of the way, to make room for the younger people, reguardless of laws. Wait until we has socialized medicine, it will be a death sentence for older generations. A panel of younger, appointed persons, will determine what care you will receive....reguardless of laws.

⌃ | ⌄ • Reply • Share ›

Leardo Bernard • 13 days ago

As part of the early wave of laid of IBM employees in 1994 I remember that my branch manager explained the policy of letting go of older employees and bringing on younger ones as simply seeking “vitality hires”. Additionally, I recall employees being berated if they answered “yes” to the annual employee survey question about whether they believed that they would be laid off even if they performed their jobs well. Managers were required to manage not only operations but morale as well. I had been one of those “I’ve Been Moved” employees who experienced the full employment effort in the 80s and 90s through multiple relocations and was unprepared for the complete shift in policy.

⌃ | ⌄ • Reply • Share ›

egriff5514 • 13 days ago

Well, this is not a surprise to me, working in software...

always the oldest, those with health problems, difficult personal circumstances, who seem to go whenever the industry hits another change/layoff cycle.

I would say you would find the 'manage out lowest performers' across US It companies too.

⌃ | ⌄ • Reply • Share ›

davosil • 14 days ago

This saga at IBM is simply a microcosm of our overall economy. Older workers get ousted in favor of younger, cheaper workers; way too many jobs get outsourced; and so many workers today [young and old] can barely land a full-time job.
This is the behavior that our system incentivises (and gets away with) in this post Reagan Revolution era where deregulation is lauded and unions have been undermined & demonized. We need to seriously re-work 'work', and in order to do this we need to purge Republicans at every level, as they CLEARLY only serve corporate bottom-lines - not workers - by championing tax codes that reward outsourcing, fight a livable minimum wage, eliminate pensions, bust unions, fight pay equity for women & family leave, stack the Supreme Court with radical ideologues who blatantly rule for corporations over people all the time, etc. etc. ~35 years of basically uninterrupted Conservative economic policy & ideology has proven disastrous for workers and our quality of life. As goes your middle class, so goes your country.

3 ^ | v • Reply • Share ›

allann_704 • 14 days ago

It's been going for decades. Westinghouse did the same thing to me in the mid eighties along with thousands of others. And with each layoffs, WEC lost millions in reparations but apparently regarded the payments as the cost of doing business. And modern tech companies don't much have the same problem. They simply don't hire older workers, but then I don't code, FB, Tweet, or Snapchat, and I quite often leave my cell phone on the table.

^ | v • Reply • Share ›

econdataus • 14 days ago

Great article. What's especially infuriating is that the industry continues to claim that there is a shortage of STEM workers. For example, google "claim of 1.4 million computer science jobs with only 400,000 computer science graduates to fill them". If companies would openly say, "we have plenty of young STEM workers and prefer them to most older STEM workers", we could at least start addressing the problem. But they continue to promote the lie of there being a STEM shortage. They just want as big a labor pool as possible, unemployed workers be damned.

3 ^ | v • Reply • Share ›

m krosse • 14 days ago

Painful & pissed off, definitely....unfair, yes....but globalization, hyper-innovation, knowledge dispersion, creative destruction have killed off dozens of brand-name tech companies.....so far, geriatric IBM has been one of the few survivors and needs to stop behaving like an AARP Exotic Marigold Hotel with a mainframe factory attached......but, ahhh, the sweet memories of The Way We Were

1 ^ | v • Reply • Share ›

Foghorn406 • 14 days ago

35 years with any company about ready to retire anyway. What the article isn’t telling is that these people were not fired or laid off they were retired with a good pension. The icing on that cake was if they wanted to work for a subcontractor for less money then they could. In all probability, they were drawing down more money including the retirement and the 2nd job.
As a long time retired IBMer and a manager in the 80’s to early 90’s. I was instructed trained to be a caring manager working with poor performers and workers with abuse issues to improve their performance and their worth to IBM. In the late 80’s I was instructed to push the same employees toward retirement instead of helping them. I was also instructed instead of working with poorer performers, I needed to document, document, document their poor performance and get rid of them. I found that the hardest, most dedicated workers were not the college degreed with high GPA but the middle employee.
As it turned out I was forced to get rid of some of the loyalist hard working individuals who could not keep up with the college whiz kids. I often pondered if I could get the whiz kids to dedicate themselves and work as hard as the ones I ended up having fired/layed off IBM might have flourished in the manufacturing technical area instead of loosing all those manufacturing jobs.

^ | v • Reply • Share ›

Lorilynn King ➦ Foghorn406 • 13 days ago

I beg to differ. There is NO PENSION for me and MANY of the others impacted. It was promised when I hired on, but was taken away in the 1990's. A bunch of employees cried foul and IBM was taken to court.... and settled, but I was four months too young to be one of those that benefited from the settlement. Therefore, I HAVE to work extra years to make up the money that was lost. I still have viable skills, and have picked up a bunch more, but now, instead of contributing to my retirement account so that my kids don't somehow have to support me when I'm in a nursing home, I'm going to have to start spending what money I have saved since the pension heist, 20 years before I had planned.

1 ^ | v • Reply • Share ›

Foghorn406 ➦ Lorilynn King • 13 days ago

Apparently you did not have the 25 years in to retire. I am not defending IBM. I was a manager who also told my employees the line that IBM pushed which I’m sure you heard ‘if you are a good employee IBM will take care of you from cradle

to grave.' Sorry to say this once great company did not or financially could not live up to their fine reputation. Mostly due to stupid business decisions and foresight at the upper levels.
I got tired of reiterating the policy of the late 80's-90's and took retirement myself. Also part of the line we fed employees was that although the increases retirees have seen yearly wasn't a given BUT, big emphasis did but they had always done it and PROBABLY would continue. The year that I retired was the last year that the increases to retirees stopped and have never seen again.
Now we are instead of the fine health insurance we once have they do provide a $3000 stipend for the retiree to purchase their own insurance on the open market. With the high increases yearly IBM has not and probably will not raise this. Between this and the fixed income from retirement it makes me wonder about these golden years.

^ | ˅ • Reply • Share ›

Lorilynn King ➦ Foghorn406 • 12 days ago

I had 33 years and was notified of the RA three weeks after turning 55. I repeat. I DID NOT RECEIVE A PENSION.

1 ^ | ˅ • Reply • Share ›

ArnieTracey ➦ Foghorn406 • 14 days ago

Your references are out of date, and fairly (too) personal to use as a universal argument against the thrust of this fine piece of investigative journalism, in my humble opinion. Your "that was then" perceptions do not apply universally to this new era of brutalist management thinning of the herd. Your counter is anachronistic.

3 ^ | ˅ • Reply • Share ›

David Howell • 14 days ago

Oh the irony of a company trying to pitch itself as a leader in analytics using some "research" that clearly has no basis in data or reality.

That worn out old trope that young people are innovative and tech savvy yet old people are crusty luddites. Absolute BS. Ludditism belongs to all generations.

The average age of innovation is much higher than you'd think. I had this same argument with someone recently about when mathematicians become warn out. The average age of ground breaking papers is late 40s, and some are well into their 80s.

Although, if you surveyed a bunch of people about their OPINION on the matter, you'd surface that exact same myth, which you could then call research, which you could then use to back up the push to sack senior (higher paid) workers in a short sighted corporate downsizing exercise aimed at boosting the quarter's profits and therefore executive bonuses.

Short term cost cutting on the employee side has failed miserably at getting anyone interested in IBM's cloud offering, their analytics services, and no doubt the exodus of experience is directly responsible for the embarrassing stuff ups in IBM contracts of late. Australian Census anyone?

If I were starting a greenfield analytics project today I would be absolutely using cloud, and considering AWS, Azure or Google Cloud, maybe others depending on region, but no way would IBM be on that list.

2 ^ | ˅ • Reply • Share ›

Ann Stokman • 14 days ago

Wow, Great Article and so true! Hard to believe companies do this to older workers.

^ | ˅ • Reply • Share ›

This comment is awaiting moderation. Show comment.

ArnieTracey ➦ Jarin Jove • 14 days ago

Who hurt you? . . . Moreover, I'm afraid I do NOT feel your pain. Get a life.

^ | ˅ • Reply • Share ›

This comment is awaiting moderation. Show comment.

davosil ➦ Jarin Jove • 14 days ago

Hmmm ... does that go for Al Gore, Bill McKibben, Jerry Brown, James Hansen, Bill Nye, all Dems in Congress, etc. who are leading the fight against climate change? Your anger is understandable, but mis-placed. Republicans - both thru their economic policies (focused only on corporate profits) and the constant lies & obstruction on climate/energy issues - are the drivers of the climate crisis. Get engaged in the election process and environmental initiatives, young fella. It'll make you feel good inside [and help with your anger issues].

1 ^ | v • Reply • Share ›

North_40 ➦ Jarin Jove • 14 days ago

Yet another bitter millennial snowflake still living in Mommy and Daddy's basement.......

^ | v • Reply • Share ›

This comment is awaiting moderation. Show comment.

davosil ➦ Jarin Jove • 14 days ago

Funny - I've had similar thought about Millennials every time I see one glued to their phone while driving ... but I would never blame an entire generation. That'd just be stupid ...

1 ^ | v • Reply • Share ›

HiJinks • 14 days ago

I agree with many who state the report is well done. However, this crap started in the early 1990s. In the late 1980s, IBM offered decent packages to retirement eligible employees. For those close to retirement age, it was a great deal - 2 weeks pay for every year of service (capped at 26 years) plus being kept on to perform their old job for 6 months (while collecting retirement, until the government stepped in an put a halt to it). Nobody eligible was forced to take the package (at least not to general knowledge). The last decent package was in 1991 - similar, but not able to come back for 6 months. However, in 1991, those offered the package were basically told take it or else. Anyone with 30 years of service or 15 years and 55 was eligible and anyone within 5 years of eligibility could "bridge" the difference. They also had to sign a form stating they would not sue IBM in order to get up to a years pay - not taxable per IRS documents back then (but IBM took out the taxes anyway and the IRS refused to return - an employee group had hired lawyers to get the taxes back, a failed attempt which only enriched the lawyers). After that, things went downhill and accelerated when Gerstner took over. After 1991, there were still a some workers who could get 30 years or more, but that was more the exception. I suspect the way the company has been run the past 25 years or so has the Watsons spinning in their graves. Gone are the 3 core beliefs - "Respect for the individual", "Service to the customer" and "Excellence must be a way of life".

1 ^ | v • Reply • Share ›

Chris S. ➦ HiJinks • 7 days ago

could be true... but i thought Watson was the IBM data analytics computer thingy... beat two human players at Jeopardy on live tv a year or two or so back.. featured on 60 Minutes just around last year.... :

^ | v • Reply • Share ›

ArnieTracey • 15 days ago

IBM's policy reminds me of the "If a citizen = 30 y.o., then mass execute such, else if they run then hunt and kill them one by one" social policy in the Michael York movie "Logan's Run."

From Wiki, in case you don't know: "It depicts a utopian future society on the surface, revealed as a dystopia where the population and the consumption of resources are maintained in equilibrium by killing everyone who reaches the age of 30. The story follows the actions of Logan 5, a "Sandman" who has terminated others who have attempted to escape death, and is now faced with termination himself."

1 ^ | v • Reply • Share ›

Bart_in_Va • 15 days ago

I was with IBM for 5 years in the late 1960s and quit in 1971 when they transferred me from Maryland to New Jersey to work on an ABM project that was soon abandoned. What I remember most is how secretive they were about salaries. No one at all mentioned salary. It was good money, though, and got me started in IT. Sounds like they abandoned the loyalty thing.

^ | v • Reply • Share ›

Jr Jr • 15 days ago

Corporate loyalty has been gone for 25 years. This isnt surprising. But this age discrimination is blatantly illegal.

1 ^ | v • Reply • Share ›

Joe Harkins • 15 days ago

I recall, back in the mid-1960s, encountering employees of major major corporations like IBM, US Steel, the Big Three in Detroit, etc, There was a certain smugness there. I recall hearing bragging about the awesome retirement incomes. Yes, I was jealous. But I also had a clear eye as to the nature of the beast they were working for, and I kept thinking of the famous limerick:

There was a young lady of Niger
Who smiled as she rode on a Tiger;
They came back from the ride
With the lady inside,

And the smile on the face of the Tiger.

Reply • Share ›

netmouse • 15 days ago

Doesn't allow edit (even with menu) nor delete. Even right after submit. Should

Reply • Share ›

netmouse • 15 days ago

I'd donate if you used paypal.

Reply • Share ›

netmouse • 15 days ago

Outstanding. I had to train people in IBM India to do my job when (early) "retired". I actually found a new internal job in IBM, the hiring manager wrote/chat that I was a fit. I was denied the job because my current group said I had to transfer and the receiving group said I had to be on a contract, stalemate! I appealed and group HR said sorry, can't do and gave me one reason after another, that I could easily refute, then they finally said the job was to be moved overseas. Note most open jobs posted were categorized for global resources. I appealed to Randy (former HR SVP) and no change. At least I foced them to finally tell the truth. I had also found another job locally near home and received an email from the HR IBM person responsible for the account saying no, they were considering foreigners first, if they found no one suitable they would then consider Americans. I appealed to my IBM manager who basically said sorry, that is how things are now. All in writing, so no more pretending it is a skill issue. People, it is and always has been about cheap labor. I recall when a new IBM technology began, Websphere, and I was sent for a month's training. Then in mid-2000's training and raises pretty much stopped and that was when resource actions were stepped up.

2 • Reply • Share ›

> **Tom** ➔ netmouse • 14 days ago
>
> I had a very similar situation, only I had a team that wanted to transfer me and had a billable contract ready for me to work, but HR still said NO. Appeals were useless.
>
> Reply • Share ›

sadbuttrue • 15 days ago

xx

Reply • Share ›

Herb Tarlick • 15 days ago

T.J.Watson must be spinning in his grave.

Reply • Share ›

Stimpy • 15 days ago

This could well have been written about Honeywell. Same tactics exactly. I laid myself off and called it retirement after years of shoddy treatment and phonied up employee evaluations. I took it personally until I realized that this is just American Management in action. I don't know how they look themselves in the mirror in the morning.

Reply • Share ›

Michael Beres • 15 days ago

Great fact-based piece. Reading it brought back my memories of calling my manager for our weekly cadence, and the first words from him were, "It's not a good day!". No words could have been truer.

My mother who lived with us for the previous seven years, was in a nursing home suffering from dementia that would claim her two years later.

Eighteen months before my layoff, I worked from the hospital where my fiance was in hospital after a near fatal MVA.

IBM was aware of both situations.

My family was not IBM!

Reply • Share ›

TVGizmo • 15 days ago

IBM started downhill as a result of many factors.

But the single most cause was when.....Respect for the Individual (the first Basic Belief) was ignored. Everything else was collateral damage.

Former 'Manager of the Year' in the old Field Engineering Division.

2 • Reply • Share ›

MHV IBMer • 15 days ago

I am a survivor, the rare employee who has been at IBM for over 35 years. I have seen many, many layoff programs over 20 years now. I have seen tens of thousands people let go from the Hudson Valley of N.Y. Those of us who have survived, know and lived through what this article so accurately described. I currently work with 3 laid off/retired and rehired contractors. I have seen age discrimination daily for over 15 years. It is not only limited to layoffs, it is rampant throughout the company. Promotions, bonuses, transfers for opportunities, good reviews, etc... are gone if you are over 45. I have seen people under 30 given promotions to levels that many people worked 25 years for. IBM knows that these younger employees see how they treat us so they think they can buy them off. Come to think of it, I guess they actually are! They are ageist, there is no doubt, it is about time everyone knew. Excellent article.

4 ^ | ˅ • Reply • Share ›

Wholy One (Seli) • 16 days ago

GE and IBM - eventually to be exposed/despised as two of the most corrupt examples of corp fraud/greed?

^ | ˅ • Reply • Share ›

disqus_qN55ZbK3Ce • 16 days ago

If anything, IBM is behind the curve. I was terminated along with my entire department from a major IBM subcontractor, with all affected employees "coincidentally" being over 50. By "eliminating the department" and forcing me to sign a waiver to receive my meager severance, they avoided any legal repercussions. 18 months later on the dot (the minimum legal time period), my workload was assigned to three new hires, all young. Interestingly, their combined salaries are more than mine, and I could have picked up all their work for about $200 in training (in social media posting, something I picked up on my own last year and am doing quite well, thank you).

And my former colleagues are not alone. A lot of friends of mine have had similar outcomes, and as the article states, no one will hire people my age willingly in my old capacity. Luckily again, I've pivoted into copywriting--a discipline where age is still associated with quality ("dang kids can't spell anymore!"). But I'm doing it freelance, with the commensurate loss of security, benefits, and predictability of income.

So if IBM is doing this now, they are laggards. But because they're so big, there's a much more obvious paper trail.

6 ^ | ˅ • Reply • Share ›

Goldie Romero • 16 days ago

Nice article, but seriously this is old news. IBM has been at this for ...oh twenty years or more.
I don't really have a problem with it in terms of a corporation trying to make money. But I do have a problem with how IBM also likes to avoid layoffs by giving folks over 40 intentionally poor reviews, essentially trying to drive people out. Just have the guts to tell people, we don't need you anymore, bye. But to string people along as the overseas workers come in...c'mon just be honest with your workers.
High tech over 40 is not easy...I suggest folks prep for a career change before 50. Then you can have the last laugh on a company like IBM.

3 ^ | ˅ • Reply • Share ›

Bob Jonell • 16 days ago

I got "Retired" by my manager without my approval in 2013 after driving revenue they would love to have today. IBM is not the company we got hired by years ago....

^ | ˅ • Reply • Share ›

Susan Cole • 16 days ago

IBM's not the company it used to be, and it never was.

^ | ˅ • Reply • Share ›

Philip • 16 days ago

One quibble I would offer against the general praise this article is generating would be to question whether IBM is an employment outlier or just the prototypical U. S. corporate employer when it comes to how it interacts with its older employees. In other words, is IBM so much worse than its corporate peers?

The other quibble would be that it does not venture into the murky area of corporate coercion of its older employees. By this I am referring to the more subtle practice of diminishing employee status and compensation that encourage the employee to prematurely consider retirement or employment elsewhere. I appreciate the difficulty of data collection and reporting in that scenario, but I strongly suggest that it does exist.

^ | ˅ • Reply • Share ›

Buzz • 16 days ago

I've worked there 17 years and have worried about being layed off for about 11 of them. Moral is in the toilet. Bonuses for the rank and file are in the under 1% range while the CEO gets millions. Pay raises have been non existent or well under inflation for years. Adjusting for inflation, I make

$6K less than I did my first day. My group is a handful of people as at least 1/2 have quit or retired. To support our customers, we used to have several people, now we have one or two and if someone is sick or on vacation, our support structure is to hope nothing breaks. We can't keep millennials because of pay, benefits and the expectation of being available 24/7 because we're shorthanded. As the unemployment rate drops, more leave to find a different job, leaving the old people as they are less willing to start over with pay, vacation, moving, selling a house, pulling kids from school, etc. The younger people are generally less likely to be willing to work as needed on off hours or to pull work from a busier colleague. I honestly have no idea what the plan is when the people who know what they are doing start to retire, we are way top heavy with 30-40 year guys who are on their way out, very few of the 10-20 year guys due to hiring freezes and we can't keep new people past 2-3 years. It's like our support business model is designed to fail.

3 ⌃ | ⌄ • Reply • Share ›

OrangeGina • 16 days ago

Make no mistake. The three and four letter acronyms and other mushy corporate speak may differ from firm to firm, but this is going on in every large tech company old enough to have a large population of workers over 50. I hope others will now be exposed.

3 ⌃ | ⌄ • Reply • Share ›

Stephen McConnell • 16 days ago

One of the most in-depth, thoughtful and enlightening pieces of journalism I've seen. Having worked on Capitol Hill during the early 1980's for the House and Senate Aging Committees, we worked hard to abolish the remnants of mandatory retirement and to strengthen the protections under the ADEA. Sadly, the EEOC has become a toothless bureaucracy when it comes to age discrimination cases and the employers, as evidenced by the IBM case, have become sophisticated in hiding what they're doing to older workers. Peter's incredibly well researched article lays the case out for all to see. Now the question is whether the government will step up to its responsibilities and protect older workers from this kind of discrimination in the future. Peter has done a great service in any case.

6 ⌃ | ⌄ • Reply • Share ›

jblog • 16 days ago

From pages 190-191 of my novel, Ordinary Man (Amazon):

Throughout
it all, layoffs became common, impacting mostly older employees with many years
of service. These job cuts were dribbled out in small numbers to conceal them
from the outside world, but employees could plainly see what was going on.

The laid off
employees were supplanted by offshoring work to low-costs countries and hiring
younger employees, often only on temporary contracts that offered low pay and
no benefits – a process pejoratively referred to by veteran employees as
“downsourcing.” The recruitment of these younger workers was done under the
guise of bringing in fresh skills, but while many of the new hires brought new
abilities and vitality, they lacked the knowledge and perspective that comes
with experience.

Frequently,
an older more experienced worker would be asked to help educate newer
employees, only to be terminated shortly after completing the task. And the new
hires weren’t fooled by what they witnessed and experienced at OpenSwitch,
perceiving very quickly that the company had no real interest in investing in
them for the long term. To the contrary, the objective was clearly to grind as
much work out of them as possible, without offering any hope of increased
reward or opportunity.

Most of the
young recruits left after only a year or two – which, again, was part of the
true agenda at the company. Senior management viewed employees not as talent,
but simply as cost, and didn’t want anyone sticking around long enough to move
up the pay scale.

4 ⌃ | ⌄ • Reply • Share ›

Jeff OConnor • 16 days ago

Up against the wall, HR.

⌃ | ⌄ • Reply • Share ›

JoeJoe • 16 days ago

As an ex-IBM employee, I was given a package (6 months pay and a "transition" course) because I was getting paid too much or so I was told. I was part of a company (oil industry) that outsourced it's IT infrastructure support personnel and on several occasions was told by my IBM management that they just don't know what to do with employees who make the kind of money I do when we can do it much cheaper somewhere else (meaning offshore). Eventually all the people who I worked with that were outsourced to IBM were packaged off and all of our jobs were sent offshore. I just turned 40 and found work back in the oil industry. In the short time I was with IBM I found their benefits very restricted, their work policies very bureaucratic and the office culture very old boys club. If you weren't part of IBM and were an outsourced employee, you didn't fit in. At the time I thought IBM was the glory company in IT to work for, but quickly found out they are just a dinosaur. It's just a matter of time for them.

1 ^ | ˅ • Reply • Share ›

JeffMo • 16 days ago

This article hits the nail right on the head, as I come up on my 1 year anniversary from being....ahem....'retired' from 23 years at IBM....and I'll be damned if I give them the satisfaction of thinking this was like a 'death' to me. It was the greatest thing that could have ever happened. Ginny and the board should be ashamed of themselves, but they won't be.

3 ^ | ˅ • Reply • Share ›

jblog • 16 days ago

1. This is absolutely happening.
2. Nobody cares about this.

Be glad to share my story with anyone who would like to hear it.

^ | ˅ • Reply • Share ›

Susie Lockwood • 16 days ago

My husban

^ | ˅ • Reply • Share ›

VeronicaVeritas • 16 days ago

Sadly, this is consistent with what I observed working for IBM for 14 years. I just left a couple months ago, as a result of the "co-location". I'm just over 40 now, and having observed so many older colleagues laid off over the years, I felt it was my own time to move on. It was hard to believe the co-location was to get people together (you may have no colleagues in the city you're assigned to) and it came with no salary adjustment for cost of living (half the cities are a major metropolis). My pay was already far below average in an ordinary location. Only a young person with no family and willing to have roommates would be in a position to accept. What became of those jobs I saw laid off? Typically they went to young and inexperienced workers from overseas. In my department anyway, I never saw new American hires of any age (other than a few ex-IBMer contractors).

1 ^ | ˅ • Reply • Share ›

Harald • 16 days ago

I am now for 5 years with IBM my manager (who left shortly after hiring told me of records) the biggest problem for him was to get somebody on board who was 49.5. It is a shame but the biggest disadvantage you can have currently at IBM ist AGE!

^ | ˅ • Reply • Share ›

MichiganRefugee • 16 days ago

I was laid off by IBM after 29 years and 4 months. I had received a division award in previous year, and my last PBC appraisal was 2+ (high performer.) The company I left was not the company I started with. Top management--starting with Gerstner--has steadily made IBM a less desirable place to work. They now treat employees as interchangeable assets and nothing more. I cannot/would not recommend IBM as an employer to any young programmer.

5 ^ | ˅ • Reply • Share ›

CRAW • 16 days ago

IBM is bad, but it's just the tip of the iceberg. I worked for a major international company that dumped almost the entire IT workforce and replaced them with "managed services", almost exclusively H-1B workers from almost exclusively India. This has been occurring for decades in many, MANY businesses around the country large and small. Even this article seems to make a special effort to assure us that "some" workers laid off in America were replaced with "younger, less experienced, lower-paid American workers and moving many other jobs overseas." How many were replaced with H-1B, H-4 EAD, OPT, L-1, etc? It's by abusing these work visa programs that companies facilitate moving the work overseas in the first place. I appreciate this article, but I think it's disingenuous for ProPublica to ignore the elephant in the room - work visa abuse. Why not add a question or two to your polls about that? It wouldn't be hard. For example, "Do you feel that America's work visa programs had an impact on your employment at IBM? Do you feel it has had an impact on your ability to regain employment after leaving IBM?" I'd like to see the answer to THOSE questions.

2 ^ | ˅ • Reply • Share ›

Zaychic • 16 days ago

Fantastic piece and always grateful to you guys at ProPublica for bringing these types of issues and stories to our attention without shrill commentary or partisanship.

^ | ˅ • Reply • Share ›

George Purcell • 16 days ago

Truly awesome work. I do want to add one thing, however--the entire rhetoric about "too many old white guys" that has become so common absolutely contributes to the notion that this sort of behavior is not just acceptable but in some twisted way admirable as well.

5 ^ | v • Reply • Share ›

Al Kyda • 16 days ago

This is reprehensible and inexcusable, but is IBM the only giant tech firm guilty thereof? Most other tech titans don't have a large population of "lifers" who have been there several decades, mainly because the companies themselves haven't been around that long. Also, most of those lucky enough to have started there early have retired with millions long ago. I'd suspect that the smaller numbers of more recently hired "gray hairs" at those companies suffer from similar age discrimination, except those few voices probably aren't heard as loudly.

1 ^ | v • Reply • Share ›

Bandit Keena → Al Kyda • 16 days ago

It's also a generational thing - IBM was big in the 70's and 80's so it has more people in their late 50's and 60's that have been there forever than a lot of other companies. This would be the same article about Wang Laboratories or Compaq if they hadn't screwed up or got bought out. But it's every other tech company, IT group, early advent software company going.

^ | v • Reply • Share ›

ThinkingAloud • 16 days ago

The last five words are chilling... This is an award-winning piece....

3 ^ | v • Reply • Share ›

Mark • 16 days ago

The US tech sector has mostly ignored US citizen applicants, of all ages, since the early 2000s. Instead, preferring to hire foreign nationals. The applications of top US citizen grads are literally thrown in the garbage (or its electronic equivalent) while companies like IBM have their hiring processes dominated by Indian nationals. IBM is absolutely a poster-child for H-1B, L-1, and OPT visa abuse.

7 ^ | v • Reply • Share ›

CRAW → Mark • 16 days ago

EXACTLY. Work visas are the enabler of this discrimination. We are overrun.

4 ^ | v • Reply • Share ›

Frankie • 16 days ago

Starting around age 40 you start to see age discrimination. I think this is largely due to economics, like increased vacation times, higher wages, but most of all the perception that older workers will run up the medical costs. You can pass all the age related discrimination laws you want, but look how ineffective that has been.

If you contrast this with the German workforce, you see that they have more older workers with the skills and younger workers without are having a difficult time getting in. So what's the difference? There are laws about how many vacation weeks that are given and there is a national medical system that everyone pays, so discrimination isn't seen in the same light.

The US is the only hold out maybe with South Africa that doesn't have a good national medical insurance program for everyone. Not only do we pay more than the rest of the world, but we also have discrimination because of it.

3 ^ | v • Reply • Share ›

Mike V • 16 days ago

Excellent article. I think it would be interesting to investigate the intersection of IBM's abhorrent, discriminatory practice with those of other companies. My 62 year old friend at AT&T described almost to the letter the practices identified in this article and those she witnessed personally. While younger people have their talents they often lack, through no fault of their own the necessary technical experience, discipline, drive and professional balance needed. Thank you for an engaging, well-researched and written article.

^ | v • Reply • Share ›

ginnee • 16 days ago

This kind of thing is invading the volunteer world as well. Because in many places, students need x number of volunteer hours to get their diplomas, non-profits are dropping their older volunteers, people who joined up because they believed in the cause. If seniors are kept on, the tasks have been redefined as unpaid work with a list of rules -- which fits for kids who are only doing it to get their diplomas but are insulting to traditional volunteers who took pride in their contributions. People I know with one non-profit were "invited to reapply" with a resume and go through interviews in order have a volunteer spot with organizations they'd been donating time to for 10 or

15 years.

What does this mean for seniors? Well, many are advised to volunteer to stay socially and mentally healthy. It also gives them a sense of purpose.

1 ^ | v • Reply • Share ›

Rick Gundlach • 16 days ago

This is very good, and this is IBM. I know. I was plaintiff in Gundlach v. IBM Japan, 983 F.Supp.2d 389, which involved their violating Japanese labor law when I worked in Japan. The New York federal judge purposely ignored key points of Japanese labor law, and also refused to apply Title VII and Age Discrimination in Employment to the parent company in Westchester County. It is a huge, self-described "global" company with little demonstrated loyalty to America and Americans. Pennsylvania is suing them for $170 million on a botched upgrade of the state's unemployment system.

3 ^ | v • Reply • Share ›

Great White North • 16 days ago

There's not a word of truth quoted in this article. That is, quoted from IBM spokespeople. It's the culture there now. They don't even realize that most of their customers have become deaf to the same crap from their Sales and Marketing BS, which is even worse than their HR speak.

The sad truth is that IBM became incapable of taking its innovation (IBM is indeed a world beating, patent generating machine) to market a long time ago. It has also lost the ability (if it ever really had it) to acquire other companies and foster their innovation either - they ran most into the ground. As a result, for nearly a decade revenues have declined and resource actions grown. The resource actions may seem to be the ugly problem, but they're only the symptom of a fat greedy and pompous bureaucracy that's lost its ability to grow and stay relevant in a very competitive and changing industry. What they have been able to perfect and grow is their ability to downsize and return savings as dividends (Big Sam Palmisano's "innovation"). Oh, and for senior management to line their pockets.

Nothing IBM is currently doing is sustainable.

If you're still employed there, listen to the pain in the words of your fallen comrades and don't knock yourself out trying to stay afloat. Perhaps learn some BS of your own and milk your job (career? not...) until you find freedom and better pastures.

If you own stock, do like Warren Buffett, and sell it while it still has some value.

1 ^ | v • Reply • Share ›

DanIlo • 16 days ago

This is NOTHING NEW! All major corporations have and will do this at some point in their existence. Another industry that does this regularly every 3 to 5 years is the pharamaceutical industry. They'll decimate their sales forces in order to, as they like to put it, "right size" the company. They'll cloak it as weeding out the low performers, but they'll try to catch the "older" workers in the net as well.

1 ^ | v • Reply • Share ›

Dan Shire • 16 days ago

The final paragraph about Paul Henry made me so sad – I nearly shared the same fate. In 2013 I had a (near) fatal heart attack at 2:30 in the morning after working at home all day, until just a couple hours before my cardiac arrest. When my wife got back from the hospital later that day, she found my Thinkpad still on in the home office, work in progress. I returned to work after coronary bypass surgery and medical leave and worked 2 more years but would not travel or do any more overtime - I was happy to make it to my early retirement a few weeks after turning 60. I had wonderful colleagues and miss them and wish them all the best, but I do not miss the toxic corporate culture that permeates the company today from the top down.

1 ^ | v • Reply • Share ›

turquoisewaters • 16 days ago

This is why you need unions.

3 ^ | v • Reply • Share ›

emnyc • 16 days ago

ProPublica deserves a Pulitzer for this article and all the extensive research that went into this investigation.

Incredible job! Congrats.

On a separate note, IBM should be ashamed of themselves and the executive team that enabled all of this should be fired.

10 ^ | v • Reply • Share ›

Steve A • 16 days ago

Another person that commented that IBM is a dysfunctional, backbiting, angry environment in which to work. When I was forced to take a "voluntary retirement" in 2015 I couldn't find the words to accurately describe to describe to my family and friends why and how it happened. I KNEW it was age discrimination (I was 59 years old at the time) but we had been taught at IBM not to make excuses. Certainly presented an internal conflict for me (still does sometimes).

Thank you Ariana and Peter for writing this accurate picture of life at IBM.

^ | ˅ • Reply • Share ›

Mikki Popovich • 16 days ago

Great article, outlining all the back hand dealings, but what's next? Will IBM suffer any consequences?

2 ^ | ˅ • Reply • Share ›

RetiredIBM.manager • 17 days ago

I am a retired IBM manager having had to execute many of these resource reduction programs.. too many.. as a matter of fact. ProPUBLICA....You nailed it!

5 ^ | ˅ • Reply • Share ›

Bob Fritz • 17 days ago

I read the article and all the comments.

Is anyone surprised that so many young people don't think capitalism is a good system any more?

I ran a high technology electronic systems company for years. We ran it "the old way." If you worked hard, and tried, we would bend over backwards to keep you. If technology or business conditions eliminated your job, we would try to train you for a new one. Our people were loyal, not like IBMers today. I honestly think that's the best way to be profitable.

People afraid of being unjustly RIFFed will always lack vitality.

5 ^ | ˅ • Reply • Share ›

Warren Stiles • 17 days ago

Bottom line is we have entered an era when there are only two classes who are protected in our economy; the Investor Class and the Executive Class. With Wall Street's constant demand for higher profits and increased shareholder value over all other business imperatives, rank and file workers have been relegated to the class of expendable resource. I propose that all of us over fifty who have been riffed out of Corporate America band together for the specific purpose of beating the pants off them in the marketplace. The best revenge is whooping their youngster butts at the customer negotiating table. By demonstrating we are still flexible and nimble, yet with the experience to avoid the missteps of misspent youth, we prove we can deliver value well beyond what narrow-minded bean counters can achieve.

6 ^ | ˅ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ Warren Stiles • 16 days ago

or whipping the butts of the older managers who thought that their older workers were over the hill.

1 ^ | ˅ • Reply • Share ›

Warren Stiles ➦ disqus_ZBXJDbYJHe • 16 days ago

Just like they are...

1 ^ | ˅ • Reply • Share ›

JohnCordCutter • 17 days ago

Thanks for the great article. I left IBM last year. USA based. 49. Product Manager in one of IBMs strategic initiatives, however got told to relocate or leave. I found another job and left. I came to IBM from an acquisition. My only regret is, I wish I had left this toxic environment earlier. It truely is a dreadful place to work.

8 ^ | ˅ • Reply • Share ›

sukibarnstorm • 17 days ago

As an HR professional, I get sick when I hear of these tactics. Although this is not the first company to use this strategy to make a "paradigm shift". Where are the geniuses at Harvard, Yale, or the Wharton school of business (where our genius POTUS attended)? Can't they come up with a better model of how to make these changes in an organization without setting up the corp for a major lawsuit or God forbid ......they treat their employees with dignity and respect.

^ | ˅ • Reply • Share ›

OrangeGina ➦ sukibarnstorm • 16 days ago

why should they change tactics? the existing laws are apparently toothless enough for them to get away with these 'resource actions'. If it ain't broke, in their mind, they won't fix it.

^ | ˅ • Reply • Share ›

John Kauai ➦ sukibarnstorm • 16 days ago

Isn't it interesting that you are the first one (here or anywhere else that I've seen) to talk about the complicity of Harvard and Yale in the rise of the Oligarchs.

Perhaps we should consider reevaluation of their lofty perch in American Education. Now if we could only think of a way to expose the fraud.

^ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ sukibarnstorm • 16 days ago

They are not trained at our business schools to think long-term or look for solutions to problems or turn to the workforce for solutions. They are trained to maximizes the profits and let society subsidies their losses and costs.

2 ^ | ⌄ • Reply • Share ›

Stauffenberg • 17 days ago

In the early 1980's President Regan fired the striking air traffic controllers. This sent the message to management around the USA that it was OK to abuse employees in the workplace. By the end of the 1980's unions were totally emasculated and you had workers "going postal" in an abusive workplace. When unions were at their peak of power, they could appeal to the courts and actually stop a factory from moving out of the country by enforcing a labor contact. Today we have a President in the White House who was elected on a platform of "YOU'RE FIRED." Not surprisingly, Trump was elected by the vast majority of selfish lowlives in this country. The American workplace is a nuthouse. Each and every individual workplace environment is like a cult. That is not good for someone like me who hates taking orders from people. But I have seen it all. Ten years ago a manhattan law firm fired every lawyer in a litigation unit except an ex-playboy playmate. Look it up it was in the papers. I was fired from a job where many of my bosses went to federal prison and then I was invited to the Christmas Party. What are the salaries of these IBM employees and how much are their replacements making? The workplace becomes a surrogate family. Who knows why some people get along and others don't. My theory on agism in the workplace is that younger employees don't want to be around their surrogate mother or father in the workplace after just leaving the real home under the rules of their real parents.
The American workplace is just a byproduct of the militarization of everyday life. In the 1800's, Herman Melville wrote in his beautiful book "White Jacket" that one of the most humiliating aspects of the military is taking orders from a younger military officer. I read that book when I was 20. I didn't feel the sting of that wisdom until I was 40 and had a 30 year old appointed as my supervisor who had 10 years less experience than me. By the way, the executive that made her my supervisor was one of the sleaziest bosses I have ever had in my career. Look at the tech giant Theranos. Silicon Valley and Wall Street handed billions of dollars to this arrogant, ignorant Millennial Elizabeth Holmes. She abused any employee that questioned her. This should sound familiar to any employee who has had an overbearing know-it-all, bully boss in the workplace. Hopefully she will go to jail and a message will be sent that any young agist bully will not be given the power of god in the workplace.

1 ^ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ Stauffenberg • 16 days ago

It is also bad taking order from any old bully boss as well.

^ | ⌄ • Reply • Share ›

MostIfNotAll • 17 days ago

Replace at least 90% of this with Intel and it is still a fit. They have been doing the same things for several years now, and enforce hiring new graduates from college to help ensure they get younger workers. They lay off a disproportionate older workers and threaten them that, if they don't retire, they could be looking at worse "next time".

1 ^ | ⌄ • Reply • Share ›

NotSure ➦ MostIfNotAll • 16 days ago

It has always been brutal in the tech industry.
Silicon Valley creative destruction.
Shockley Semiconductor Laboratory → (Traitorous Eight) → Fairchild Semiconductor → Fairchildren:
Amelco
Intel
Intersil
Kleiner Perkins Caufield & Byers
Signetics

`https://en.wikipedia.org/wiki/Traitorous_eight#cite_note-FOOTNOTEManners1995111-112`

^ | ⌄ • Reply • Share ›

Matt_Z • 17 days ago

After over 35 years working there, 19 of them as a manager sending out more of those notification letters than I care to remember, I can vouch for the accuracy of this investigative work. It's an

incredibly toxic and hostile environment and has been for the last 5 or so years. One of the items I was appraised on annually was how many US jobs I moved offshore. It was a relief when I received my notification letter after a two minute phone call telling me it was on the way. Sleeping at night and looking myself in the mirror aren't as hard as they were when I worked there.
IBM will never regain any semblance of their former glory (or profit) until they begin to treat employees well again.
With all the offshoring and resource actions with no backfill over the last 10 years, so much is broken. Customers suffer almost as much as the employees.
I don't know how in the world they ended up on that LinkedIn list. Based on my fairly recent experience there are a half dozen happy employees in the US, and most of them are C level.

22 ^ | v • Reply • Share ›

scorcher14 • 17 days ago

One of the biggest driving factors in age discrimination is health insurance costs, not salary. It can cost 4-5x as much to insure and older employee vs. a younger one, and employers know this. THE #1 THING WE CAN DO TO STOP AGE DISCRIMINATION IS TO MOVE AWAY FROM OUR EMPLOYER-PROVIDED INSURANCE SYSTEM. It could be single-payer, but it could also be a robust individual market with enough pool diversification to make it viable. Freeing employers from this cost burden would allow them to pick the right talent regardless of age.

13 ^ | v • Reply • Share ›

pieinthesky ➦ scorcher14 • 13 days ago

Single payer won't help. We have single payer in Canada and just as much age discrimination in employment. Society in general does not like older people so unless you're a doctor, judge or pharmacist you will face age bias. It's even worse in popular culture never mind in employment.

2 ^ | v • Reply • Share ›

OrangeGina ➦ scorcher14 • 16 days ago

I agree. Yet, a determined company will find other methods, explanations and excuses.

^ | v • Reply • Share ›

disqus_ZBXJDbYJHe ➦ scorcher14 • 16 days ago

The American business have constantly fought against single payer since the end of World War II and why should I feel sorry for them when all of a sudden, they are complaining about health care costs? It is outrageous that workers have to face age discrimination; however, the CEOs don't have to deal with that issue since they belong to a tiny group of people who can land a job anywhere else.

2 ^ | v • Reply • Share ›

Aaron Stackpole • 17 days ago

This is the nail in the coffin. As an IT manager responsible for selecting and purchasing software, I will never again recommend IBM products. I love AIX and have worked with a lot if IBM products but not anymore. Good luck with the millennials though...

4 ^ | v • Reply • Share ›

Etaoin • 17 days ago

It wouldn't surprise me at all. Take a look at online ads--they're filling with references to "young" or require online application forms whose second or third question is always about the year of high school graduation. I lost my job in January at age 64; my state offers a small-business program to those it deems "likely to exhaust unemployment benefits," which I take to mean because of my age. I wish we had some politicians, who are themselves way, way past retirement age, who had the guts to speak up about this. While it's happening to Baby Boomers, Gen X is a target too.

2 ^ | v • Reply • Share ›

OrangeGina ➦ Etaoin • 16 days ago

yes, the keyword you see most often is "recent grads".

1 ^ | v • Reply • Share ›

CRAW ➦ Etaoin • 16 days ago

A target? I'm GenX and I'm already a victim. There is an unlimited supply of cheap young indentured servants from India and China, and our government is facilitating our destruction via H-1B, H-4 EAD, OPT, L-1, etc.

2 ^ | v • Reply • Share ›

ednatee • 17 days ago

Age discrimination is everywhere

2 ^ | v • Reply • Share ›

Stewart Dean • 17 days ago

The lead-in to this piece makes it sound like IBM was forced into these practices by inescapable forces. I'd say not, rather that it pursued them because a) the management was clueless about how

to lead IBM in the new environment and new challenges so b) it started to play with numbers to keep the (apparent) profits up....to keep the bonuses coming. I used to say when I was there that: "After every defeat, they pin medals on the generals and shoot the soldiers". And then there's the Pig with the Wooden Leg shaggy dog story that ends with the punch line, "A pig like that you don't eat all at once", which has a lot of the flavor of how many of us saw our jobs as IBM die a slow death.
IBM is about to fall out of the sky, much as General Motors did. How could that happen? By endlessly beating the cow to get more milk.
IBM was hiring right through the Great Depression such that It Did Not Pay Unemployment Insurance. Because it never laid people off, Because until about 1990, your manager was responsible for making sure you had everything you needed to excel and grow....and you would find people that had started on the loading dock and had become Senior Programmers. But then about 1990, IBM starting paying unemployment insurance....just out of the goodness of its heart. Right.

12 ⌃ | ⌄ • Reply • Share ›

Georgann Putintsev ➦ Stewart Dean • 6 days ago

I found that other Ex-IBMer's respect other Ex-IBMer's work ethics, knowledge and initiative.
Other companies are happy to get them as a valueable resource. In '89 when our Palo Alto Datacenter moved,
we were given two options: 1.) to become a Programmer (w/training) 2.) move to Boulder or 3.) to leave.
I got my training with programming experience and left IBM in '92, when for 4 yrs IBM offerred
really good incentives for leaving the company. The Executives thought that the IBM Mainframe/MVS z/OS+
was on the way out and the Laptop (Small but Increasing Capacity) Computer would take over everything.
It didn't. It did allow many skilled IBMers to succeed outside of IBM and help built up our customer
skill sets. And like many, when the opportunity arose to return I did. In '91 I was accidentally given
a male co-workers paycheck and that was one of the reasons for leaving. During my various Contract work
outside, I bumped into other male IBMer's that had left too, some I had trained, and when they disclosed
that it was their salary (which was 20-40%) higher than mine was the reason they left, I knew I had made
the right decision. Women tend to under-value themselves and their capabilities. Contracting also taught
me that companies that had 70% employees and 30% contractors, meant that contractors would be let go if they
exceeded their quarterly expenditures.

I first contracted with IBM in '98 and when I decided to re-join IBM '01, I had (3) job offers and I took
the most lucrative exciting one to focus on fixing & improving DB2z Qry Parallelism. I developed a targeted
L3 Technical Change Team to help L2 Support reduce Customer problems reported and improve our product. The
instability within IBM remained and I saw IBM try to eliminate aging, salaried, benefited employees.
The 1.) find a job within IBM ... to 2.) to leave ... was now standard.

While my salary had more than doubled since I left IBM the first time, it still wasn't near other male
counterparts. The continual rating competition based on salary ranged titles and timing a title raise after a round of layoffs, not before. I had another advantage going and that was that my changed reduced retirement benefits helped me stay there. It all comes down to the numbers that Mgmt is told to cut & save IBM. While much of this article implies others were hired, at our Silicon Valley Location and other locations, they had no intent to backfill. So the already burdened employees were laden with more workloads & stress.

In the early to mid 2000's IBM setup a counter lab in China where they were paying 1/4th U.S. salaries and
many SVL IBMers went to CSDL to train our new world 24x7 support employees. But many were not IBM loyal
and their attrition rates were very high, so it fell to a wave of new-hires at SVL to help address it.

⌃ | ⌄ • Reply • Share ›

Stewart Dean ➦ Georgann Putintsev • 6 days ago

It's all about making the numbers so the management can present a Potemkin Village of profits and ever-increasing growth sufficient to get bonuses. There is no relation to any sort of quality or technological advancement, just HR 3-card monte. They have installed air bearing in Old Man Watson's coffin as it has been spinning ever faster

1 ⌃ | ⌄ • Reply • Share ›

CRAW ➦ Stewart Dean • 16 days ago

1990 is also when H-1B visa rules were changed so that companies no longer had to even attempt to hire an American worker as long as the job paid $60,000, which hasn't changed since. This article doesn't even mention how our work visa system facilitated and even rewarded this abuse of Americans.

8 ⌃ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ Stewart Dean • 16 days ago

Well, starting in the 1980s, the American management was allowed by Reagan to get rid of its workforce.

4 ⌃ | ⌄ • Reply • Share ›

rabrab • 17 days ago

Bears in woods; Pope is catholic ...

⌃ | ⌄ • Reply • Share ›

Jeff Russell • 17 days ago

I started at IBM 3 days out of college in 1979 and retired in 2017. I was satisfied with my choice and never felt mistreated because I had no expectation of lifetime employment, especially after the pivotal period in the 1990's when IBM almost went out of business. The company survived that period by dramatically restructuring both manufacturing costs and sales expense including the firing of tens of thousands of employees. These actions were well documented in the business news of the time, the obvious alternative was bankruptcy.

I told the authors that anyone working at IBM after 1993 should have had no expectation of a lifetime career. Downsizing, outsourcing, movement of work around the globe was already commonplace at all such international companies. Any expectation of "loyalty", that two-way relationship of employee/company from an earlier time, was wishful thinking. I was always prepared to be sent packing, without cause, at any time and always had my resume up-to-date. I stayed because of interesting work, respectful supervisors, and adequate compensation. The "resource action" that forced my decision to retire was no surprise, the company that hired me had been gone for decades.

7 ⌃ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ Jeff Russell • 16 days ago

With all the automation going on around the world, these business leaders better worry about people not having money to buy their goods and services plus what are they going to do with the surplus of labor

3 ⌃ | ⌄ • Reply • Share ›

John Kauai ➦ Jeff Russell • 17 days ago

I had, more or less, the same experience at Cisco. They paid me to quit. Luckily, I was ready for it.

The article mentions IBMs 3 failures. So who was it that was responsible for not anticipating the transitions? It is hard enough doing what you already know. Perhaps companies should be spending more on figuring out "what's next" and not continually playing catch-up by dumping the older workers for the new.

3 ⌃ | ⌄ • Reply • Share ›

John Senchak • 17 days ago

These articles are to damn long now blocking 100 percents of the ads on this site !

1 ⌃ | ⌄ • Reply • Share ›

sometimestheyaresomewhatright • 17 days ago

American companies pay health insurance premiums based on their specific employee profiles. Insurance companies compete with each other for the business, but costs are actual. And based on the profile of the pool of employees. So American companies fire older workers just to lower the average age of their employees. Statistically this is going to lower their health care costs.

As long as companies pay for their employees' health insurance they will have an incentive to fire older employees. They have an incentive to fire sick employees and employees with genetic risks. Those are harder to implement as ways to lower costs. Firing older employees is simple to do, just look up their ages.

The answer is to separate health insurance from employment. Companies can't be trusted. Not only health care, but retirement is also sorely abused by corporations. All the money should be in protected employee based accounts.

By the way, most tech companies are actually run by older people. The goal is to broom out mid-level people based on age. Nobody is going to suggest to a sixty year old president that they should self fire, for the good of the company.

2 ⌃ | ⌄ • Reply • Share ›

60 Soon • 17 days ago

The methodology has trickled down to smaller companies pursuing the same net results for headcount reduction. The similarities to my experience were painful to read. The grief I felt after my job was "eliminated" 10 years ago while the Recession was at its worst and shortly after my 50th birthday was coming back. I never have recovered financially but have started writing a murder mystery. The first victim? The CEO who let me go. It's true. Revenge is best served cold.

8 ⌃ | ⌄ • Reply • Share ›

David • 17 days ago

IBM has always treated its customer-facing roles like Disney -- as cast members who need to match a part in a play. In the 60s and 70s, it was the white-shirt, blue-suit white men whom IBM leaders thought looked like mainframe salesmen. Now, rather than actually build a credible cloud to compete with Amazon and Microsoft, IBM changes the cast to look like cloud salespeople. (I work for Microsoft. Commenting for myself alone.)

4 ⌃ | ⌄ • Reply • Share ›

CRAW ➦ David • 16 days ago

Now IBM still treats their employees like Disney - by replacing them with H-1B workers.

5 ⌃ | ⌄ • Reply • Share ›

WmBlake • 17 days ago

As a permanent old contractor and free-enterprise defender myself, I don't blame IBM a bit for wanting to cut the fat. But for the outright *lies, deception and fraud* that they use to break laws, weasel out of obligations... really just makes me want to shoot them... and I never even worked for them.

10 ⌃ | ⌄ • Reply • Share ›

Pete • 17 days ago

Nice "Old Economy Steve" article. It almost makes it seem like IBM traded older workers for younger workers, which is totally misleading. Those younger workers likely have no chance at a pension, they earn wages that are so low that they have a hard time taking on adult responsibilities, and will never experience any sort of job security. They're just as likely to be laid off, fired, or simply hired as a contractor. Contractor jobs are the ultimate humiliation because they often require workers to forgo health insurance and pay a forty percent tax rate on earnings because they are responsible for an additional fifteen percent social security contribution that employers would typically contribute--but not for contractors. Do any of these younger workers even think they'll see a dime from Social Security after the boomers eat it up? Propublica, I dare you to try and find one! And until then, I won't be spilling any tears for "Old Economy Steve," who is statistically likely to have voted for the Republican and neoliberal assholes who allowed all of this to happen.

6 ⌃ | ⌄ • Reply • Share ›

Sarahw • 17 days ago

IBM has been using these tactics at least since the 1980s, when my father was let go for similar 'reasons.'

7 ⌃ | ⌄ • Reply • Share ›

Jeff • 17 days ago

In early 2013 I was given a 3 PBC rating for my 2012 performance, the main reason cited by my manager being that my team lead thought I "seemed distracted". Five months later I was included in a "resource action", and was gone by July. I was 20 months shy of 55. Younger coworkers were retained. That was about two years after the product I worked on for over a decade was off-shored.

Through a fluke of someone from the old, disbanded team remembering me, I was rehired two years later - ironically in a customer support position for the very product I helped develop.

While I appreciated my years of service, previous salary, and previous benefits being reinstated, a couple years into it I realized I just wasn't cut out for the demands of the job - especially the significant 24x7 pager duty. Last June I received email describing a "Transition to Retirement" plan I was eligible for, took it, and my last day will be June 30. I still dislike the job, but that plan reclassified me as part time, thus ending pager duty for me. The job still sucks, but at least I no longer have to despair over numerous week long 24x7 stints throughout the year.

A significant disappointment occurred a couple weeks ago. I was discussing healthcare options with another person leaving the company who hadn't been resource-actioned as I had, and learned the hard way I lost over $30,000 in some sort of future medical benefit account the company had established and funded at some point. I'm not sure I was ever even aware of it. That would have funded several years of healthcare insurance during the 8 years until I'm eligible for Medicare. I wouldn't be surprised if their not having to give me that had something to do with my seeming "distracted" to them. <rolls eyes="">

What's really painful is the history of that former account can still be viewed at Fidelity, where it associates my departure date in 2013 with my having "forfeited" that money. Um, no. I did not forfeit that money, nor would I have. I had absolutely no choice in the matter. I find the use of the word 'forfeited' to describe what happened as both disingenuous and offensive. That said, I don't know whether's that's IBM's or Fidelity's terminology, though.

3 ⌃ | ⌄ • Reply • Share ›

NotSure ➦ Jeff • 16 days ago

This might be what you are entitled to.

> **IBM DEBUTS INNOVATIVE HEALTH PLAN FOR RETIREES**
>
> *...Employees can tap the accounts if they leave IBM once they reach age 55 and have completed 15 years of service. In addition, current employees who are at least 40 can, when they retire, begin using their account balance after 30 years of service, regardless of age. Employees who leave before meeting those age and service requirements forfeit their account balances.*
>
> `http://www.businessinsurance.com/article/19990523/ISSUE01/1000456/ibm-debuts-innovative-health-plan-for-retirees`
>
> ⌃ | ⌄ • Reply • Share ›

Jeff ➦ NotSure • 16 days ago

Would have been entitled to, because:

"Employees who leave before meeting those age and service requirements forfeit their
account balances."

Yes, that's what happened. Except I didn't leave, I was booted. "Poof!" went the "innovative health plan".

The most innovative aspect of it was the quoted sentence, making it possible for them to force people to forfeit it by resource actioning them before they turned 55 or had 30 years of service. I was 52 with 28 years of service. Brilliant....

⌃ | ⌄ • Reply • Share ›

Herb ➦ Jeff • 17 days ago

Jeff, You should call Fidelity. I recently received a letter from the US Department of Labor that they discovered that IBM was "holding" funds that belonged to me that I was never told about. This might be similar or same story.

2 ⌃ | ⌄ • Reply • Share ›

Jeff ➦ Herb • 16 days ago

Herb, did those funds have specific name? How long have you been separated from IBM?

I've received no such letter, but would rather as Fidelity about something more specific, if possible.

⌃ | ⌄ • Reply • Share ›

petervonstackelberg • 17 days ago

I'm glad someone is finally paying attention to age discrimination. IBM apparently is just one of many organizations that discriminate.

I'm in the middle of my own fight with the State University of New York (SUNY) over age discrimination. I was terminated by a one of the technical colleges in the SUNY System. The EEOC/New York State Division of Human Rights (NYDHR) found that "PROBABLE CAUSE (NYDHR's emphasis) exists to believe that the Respondent (Alfred State College - SUNY) has engaged in or is engaging in the unlawful discriminatory practice complained of." Investigators for NYDHR interviewed several witnesses, who testified that representatives of the college made statements such as "we need new faces", "three old men" attending a meeting, an older faculty member described as an "albatross", and "we ought to get rid of the old white guys". Witnesses said these statements were made by the Vice President of Academic Affairs and a dean at the college.

6 ⌃ | ⌄ • Reply • Share ›

Kevin Hogan • 17 days ago

IBM has been engaging in these kind of sneaky "resource actions" since at least the early 2000s. My wife was an IBMer who was a highly-rated performer until she contracted a sudden and expensive medical condition -- whereupon she got a bottom-basement review and was turfed out in a layoff weighted heavily towards older and sicker workers. IBM might have been a blue-chip brass ring employer decades ago, but these days it's just another place to work.

17 ⌃ | ⌄ • Reply • Share ›

John Doe ➦ Kevin Hogan • 12 days ago

I had back surgery in my 26th year and when I returned to work I was told I was only a third of “what I was” it is hard to view oneself objectively but I am quite confident my performance and capabilities had not noticeably declined if at all

1 ⌃ | ⌄ • Reply • Share ›

CAtechie • 17 days ago

The article says ""Its initiatives won IBM plaudits from women’s groups; lesbian, gay, bisexual and transgender organizations; human rights and disability associations; indeed advocates for just about every class of people protected under U.S. equal employment opportunity laws."

WRONG : There is absolutely NO protection for LGBT people under US EO law . The Employment Non-Discrimination Act has never passed. I am surprised ProPublica gets such a fundamental fact wrong.

4 ⌃ | ⌄ • Reply • Share ›

Bruce in AZ • 17 days ago

No surprises here. The culture and politics at IBM has always been based on low paid younger workers replacing the higher paid older workers. I actually interviewed for a position at IBM when I was 50 ish and was determined to be "not our kind" by a group of children. This is pretty much true throughout the tech industry. I was called an "old guy" once by an interviewer who criticized me for wearing a tie!

12 ⌃ | ⌄ • Reply • Share ›

Suzan ➦ Bruce in AZ • 16 days ago

I was interviewed at Cisco in 1999, in San Francisco area, by 7 in group, 4 of whom had only been there out of college for less than a year. I lost the job 4 to 3.

When my recruiter called with the news I said, "Who were the three?"

Not really laughing as I knew when they told me onsite that it was a group interview that I had made the trip for nothing. I had over 20 years in the software programming field then. Imagine who the HR people must have been to bring in someone like me & then throw me to the young wolves.

3 ⌃ | ⌄ • Reply • Share ›

dragonflap • 17 days ago

I'm a 49-year-old SW engineer who started at IBM as part of an acquisition in 2000. I got laid off in 2002 when IBM started sending reqs to Bangalore in batches of thousands. After various adventures, I rejoined IBM in 2015 as part of the "C" organization referenced in the article.

It's no coincidence whatsoever that Diane Gherson, mentioned prominently in the article, blasted out an all-employees email crowing about IBM being a great place to work according to (ahem) LinkedIn. I desperately want to post a link to this piece in the corporate Slack, but that would get me fired immediately instead of in a few months at the next "resource action." It's been a whole 11 months since our division had one, so I know one is coming soon.

14 ⌃ | ⌄ • Reply • Share ›

Dave Allen • 17 days ago

I worked for four major corporations (HP, Intel, Control Data Corporation, and Micron Semiconductor) before I was hired by IBM as a rare (at that time) experienced new hire. Even though I ended up working for IBM for 21 years, and retired in 2013, because of my experiences at those other companies, I never considered IBM my "family." The way I saw it, every time I received a paycheck from IBM in exchange for two weeks' work, we were (almost) even. I did not owe them anything else and they did not owe me anything. The idea of loyalty between a corporation and an at-will employee makes no more sense than loyalty between a motel and its guests. It is a business arrangement, not a love affair. Every individual needs to continually assess their skills and their value to their employer. If they are not commensurate, it is the employee's responsibility to either acquire new skills or seek a new employer. Your employer will not hesitate to lay you off if your skills are no longer needed, or if they can hire someone who can do your job just as well for less pay. That is free enterprise, and it works for people willing to take advantage of it.

7 ⌃ | ⌄ • Reply • Share ›

sometimestheyaresomewhatright ➦ Dave Allen • 17 days ago

I basically agree. But why should it be OK for a company to fire you just to replace you with a younger you? If all that they accomplish is lowering their health care costs (which is what this is really about). If the company is paying about the same for the same work, why is firing older workers for being older OK?

8 ⌃ | ⌄ • Reply • Share ›

Dave Allen ➦ sometimestheyaresomewhatright • 17 days ago

Good question. The point I was trying to make is that people need to watch out for themselves and not expect their employer to do what is "best" for the employee. I think that is true whatever age the employee happens to be.

Whether employers should be able to discriminate against (treat differently) their employees based on age, gender, race, religion, etc. is a political question. Morally, I don't think they should discriminate. Politically, I think it is a slippery slope when the government starts imposing regulations on free enterprise. Government almost always creates more problems than they fix.

3 ⌃ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ Dave Allen • 16 days ago

Sorry, but when you deregulate the free enterprise, it created more problems than it fixes and that is a fact that has been proven for the last 38 years.

2 ⌃ | ⌄ • Reply • Share ›

Danllo ➦ disqus_ZBXJDbYJHe • 16 days ago

That's just plain false. Deregulation creates competiiton. Competition for talented and skilled workers creates opportunities for those that wish to be employed and for those that wish to start new ventures. For example, when Ma Bell was regulated and had a monopoly on telecommunications there was no innovation in the telecom inudstry. However, when it was deregulated, cell phones, internet, etc exploded ... creating billionaires and millionaires while also improving the quality of life.

Reply • Share ›

disqus_ZBXJDbYJHe ➦ Danllo • 16 days ago

No, it happens to be true. When Reagan deregulate the economy, a lot of those corporate raiders just took over the companies, sold off the assets, and pocketed the money. What quality of life? Half of American lived near the poverty level and the wages for the workers have been stagnant for the last 38 years compared to a well-regulated economy in places like Germany and the Scandinavian countries where the workers have good wages and a far better standard of living than in the USA. Why do you think the Norwegians told Trump that they will not be immigrating to the USA anytime soon?

3 • Reply • Share ›

NotSure ➦ disqus_ZBXJDbYJHe • 16 days ago

What were the economic conditions before Regan? It was a nightmare before Regan.

The annual unemployment rate topped 8% in 1975 and would reach nearly 10% in 1982. The economy seemed trapped in the new nightmare of stagflation," so called because it combined low economic growth and high unemployment ("stagnation") with high rates of inflation. And the prime rate hit 20% by 1980.

1 • Reply • Share ›

disqus_ZBXJDbYJHe ➦ NotSure • 15 days ago

You had an industrial base in the USA, lots of banks and savings and loans to choose from, lots of mom and pop stores, strong government regulation of the economy, able to live off your pensions, strong unions and employment laws along with the court system to back you up against corporate malfeasance. All that was gone when Reagan and the two Bushes came into office.

Reply • Share ›

disqus_ZBXJDbYJHe ➦ NotSure • 16 days ago

At least we had a manufacturing base in the USA, strong regulations of corporations, corporate scandals were far and few, businesses did not go under so quickly, prices of goods and services did not go through the roof, people had pensions and could reasonably live off them, and recessions did not last so long or go so deep until Reagan came into office. In Under Reagan, the jobs were allowed to be send overseas, unions were busted up, pensions were reduced or eliminated, wages except those of the CEOs were staganent, and the economic conditions under Bush, Senior and Bush, Jr. were no better except that Bush, Jr, was the first president to have a net minus below zero growth, so every time we get a Republican Administration, the economy really turns into a nightmare. That is a fact.

You have the Republicans in Kansas, Oklahoma, and Wisconsin using Reaganomics and they are economic disaster areas.

1 • Reply • Share ›

Terry Taylor • 17 days ago

You need to investigate AT&T as well, as they did the same thing. I was 'sold' by IBM to AT&T as part of he Network Services operation. AT&T got rid of 4000 of the 8000 US employees sent to AT&T within 3 years. Nearly everyone of us was a 'senior' employee.

9 • Reply • Share ›

IBM32_retiree • 17 days ago

Corporate America executive management is all about stock price management. Their bonus's in the millions of dollars are based on stock performance. With IBM's poor revenue performance since Ginny took over, profits can only be maintained by cost reduction. Look at the IBM executive's bonus's throughout the last 20 years and you can see that all resource actions have been driven by Palmisano's and Rominetty's greed for extravagant bonus's.

12 • Reply • Share ›

awb22 • 17 days ago

The same thing has been going on at other companies, since the end of WWII. It's unethical, whether the illegality can be proven or not.

In the RTP area, where I live, I know many, many current and former employees. Times have changed, but the distinction between right and wrong hasn't.

4 ^ | ⌄ • Reply • Share ›

Suzan ➦ awb22 • 16 days ago

I was hired by one of the government agencies in RTP last year and then never given a start date after I submitted my SS number & birth certificate.

Anyone familiar with this situation?

1 ^ | ⌄ • Reply • Share ›

Zytor-LordoftheSkies • 17 days ago

A quick search of the article doesn't find the word "buy backs" but this is a big part of the story. IBM spent over $110 BILLION on stock buy backs between 2000 and 2016. That's the number I found, but it hasn't stopped since. If anything it has escalated.

This is very common among large corporations. Rather than spend on their people, they funnel billions into stock buy backs which raises or at least maintains the stock value so execs can keep cashing in. It's really pretty disgraceful. This was only legalized in 1982, which not-so-coincidentally is not long after real wages stalled, and have stalled ever since.

38 ^ | ⌄ • Reply • Share ›

Suzan ➦ Zytor-LordoftheSkies • 16 days ago

Thanks for this bit of insanely true reporting. When laid off from Westinghouse after 14 years of stellar performance evaluations I was flummoxed by the execs getting million-dollar bonuses as we were told the company wasn't profitable enough to maintain its senior engineering staff. It sold off every division eventually as the execs (many of them newly hired) reaped even more bonuses.

18 ^ | ⌄ • Reply • Share ›

Carol Van Linda ➦ Suzan • 4 days ago

Sears is doing this also

1 ^ | ⌄ • Reply • Share ›

Suzan ➦ Carol Van Linda • 4 days ago

Details? Thanks!

^ | ⌄ • Reply • Share ›

Georgann Putintsev ➦ Suzan • 6 days ago

Thank you ... very insightful of you. As an IBMer and lover of Spreadsheets / Statistics / Data Specalist ... I like reading Annual Reports. Researching these Top Execs, BOD and compare them to other Companies across-the-board and industry sectors. You'll find a Large Umbrella there.
There is a direct tie and inter-changeable pieces of these elites over the past 55 yrs. Whenever some Corp/ Political/ Government shill (wannbe) needs a payoff, they get placed into high ranking top positions for a orchestrating a predescribed dark nwo agenda. Some may come up the ranks like Ginny, but ALL belong to Council for Foreign Relations and other such high level private clubs or organizations.
When IBM sells off their Mainframe Manufacturing (Poughkeepsie) to an elite Saudi, under an American Co. sounding name of course, ... and the U.S. Government ... doesn't balk ... that has me worried for our 1984 future.

2 ^ | ⌄ • Reply • Share ›

Theo Geauxvan ➦ Zytor-LordoftheSkies • 16 days ago

I wonder how many billions (trillions?) have been funneled from corporate workers pockets this way? It seems all corporations are doing it these days. Large-scale transfer of wealth from the middle class to the wealthy.

6 ^ | ⌄ • Reply • Share ›

vibert ➦ Zytor-LordoftheSkies • 17 days ago

True in every large corporation. They use almost free money from the US Government to do it. (Taxpayer's money)

7 ^ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ vibert • 16 days ago

Yeah, it is amazing how they stated that they don't need help from the government when in reality they do need government to pass laws that favor them, pack the court system where judges rule in their favor and use their private police and the public sector police to keep the workers down.

9 ^ | ⌄ • Reply • Share ›

Dan Yurman • 17 days ago

Bravo ProPublica for another "sock it to them" article - journalism in honor of the spirit of great newspapers everywhere that the refuge of justice in hard times is with the press.

13 ^ | ˅ • Reply • Share ›

Vin • 17 days ago

Was let go after 34 years of service. Mine Resource Action latter had additional lines after '...unless you are offered ... position within IBM before that date.' , implying don't even try to look for a position. They lines were ' Additional business controls are in effect to manage the business objectives of this resource action, therefore, job offers within (the name of division) will be highly unlikely.'.

7 ^ | ˅ • Reply • Share ›

Mark ➦ Vin • 16 days ago

Absolutely and utterly disgusting.

2 ^ | ˅ • Reply • Share ›

Greybeard • 17 days ago

I've worked for a series of vendors for over thirty years. A job at IBM used to be the brass ring; nowadays, not so much.

I've heard persistent rumors from IBMers that U.S. headcount is below 25,000 nowadays. Given events like the recent downtime of the internal systems used to order parts (5 or so days--website down because staff who maintained it were let go without replacements), it's hard not to see the spiral continue down the drain.

What I can't figure out is whether Rometty and cronies know what they're doing or are just clueless. Either way, the result is the same: destruction of a once-great company and brand. Tragic.

8 ^ | ˅ • Reply • Share ›

Ernie Cote ➦ Greybeard • 16 days ago

It's also very possible that they don't care. Look at the size of their wages, bonuses, stock giveaways. So they destroy a couple of thousands' lives, they have everything they need.

1 ^ | ˅ • Reply • Share ›

ManOnTheHill ➦ Greybeard • 17 days ago

Well, none of these layoffs/ageist RIFs affect the execs, so they don't see the effects, or they see the effects but attribute them to some other cause.

(I'm surprised the article doesn't address this part of the story; how many affected by layoffs are exec/senior management? My bet is very few.)

4 ^ | ˅ • Reply • Share ›

ExIBMExec ➦ ManOnTheHill • 16 days ago

I was a D-banded exec (Director-level) who was impacted and I know even some VPs who were affected as well, so they do spread the pain, even in the exec ranks.

1 ^ | ˅ • Reply • Share ›

ManOnTheHill ➦ ExIBMExec • 16 days ago

That's different than I have seen in companies I have worked for (like HP). There RIFs (Reduction In Force, their acronym for layoff) went to the director level and no further up.

1 ^ | ˅ • Reply • Share ›

North_40 ➦ ManOnTheHill • 16 days ago

Your bet would be quite accurate since Rattlesnakes (execs) don't bite each other.

^ | ˅ • Reply • Share ›

n'awlins • 17 days ago

A lot of ink spilled on this, must be paid by the word. Why not simply say IBM f****d their employees, knew they could get away with it, and will continue to do so. Also how about stating that EVERY major corp. is doing the same thing! There is no such thing as job security, never was, never will be.

3 ^ | ˅ • Reply • Share ›

Lorilynn King ➦ n'awlins • 16 days ago

The point of the article is that if you're 30, you have better job security than your cube mate who is 50.

2 ^ | ˅ • Reply • Share ›

Cindy Gallop • 17 days ago

This makes for absolutely horrifying, chills-down-your-spine reading. A modern corporate horror story - worthy of a 'Black Mirror' episode. Phenomenal reporting by Ariana Tobin and Peter Gosselin. Thank you for exposing this. I hope this puts an end to this at IBM and makes every other company and industry doing this in covert and illegal ways think twice about continuing.

28 ^ | ˅ • Reply • Share ›

Daisy S ➦ Cindy Gallop • 17 days ago

Agree..a well written expose'. I've been a victim of IBM's "PIP" (Performance Improvement Plan) strategy, not because of my real performance mind you, but rather, I wasn't billing hours between projects and it was hurting my unit's bottom line. The way IBM instructs management to structure the PIP, it's almost impossible to dig your way out, and it's intentional. If you have a PIP on your record, nobody in IBM wants to touch you, so in effect you're already gone.

8 ∧ | ∨ • Reply • Share ›

Paul Brinker ➦ Daisy S • 17 days ago

I see the PIP problem as its nearly impossible to take the fact that we know PIP is a scam to court. IBM will say its an issue with you, your performance nose dived and your manager tried to fix that. You have to not only fight those simple statements, but prove that PIP is actully systematic worker abuse.

7 ∧ | ∨ • Reply • Share ›

dragonflap ➦ Cindy Gallop • 17 days ago

Cindy, they've been doing this for at least 15-20 years, or even longer according to some of the previous comments. It is in fact a modern corporate horror story; it's also life at a modern corporation, period.

9 ∧ | ∨ • Reply • Share ›

Maria Stone ➦ dragonflap • 15 days ago

This started happening in the 1990's when they added 5 years to your age and years of service and ASKED you to retire.

1 ∧ | ∨ • Reply • Share ›

donttreadonme9 • 17 days ago

Well written . people like me have experienced exactly what you wrote. IBM is a shadow of it's former greatness and I have advised my children to stay away from IBM and companies like it as they start their careers. IBM is a corrupt company. Shame on them !

13 ∧ | ∨ • Reply • Share ›

birnadet • 17 days ago

Well investigated, researched, & written. Nice to have this kind of in-depth investigative journalism in a world of infographics and videos for every damn thing. Great work.

77 ∧ | ∨ • Reply • Share ›

Mr. Hand ➦ birnadet • 16 days ago

Yep as I was reading this article and scrolling down I kept thinking OK this is getting to the end of the piece, but then more and more. In this era of shallow, hollow, click-bait journalism it was very refreshing to read such an in depth, well written work presented online. Terrific job. Bravo! I will donate.

21 ∧ | ∨ • Reply • Share ›

Tim Sloane ➦ birnadet • 17 days ago

I also agree! Great job!!

6 ∧ | ∨ • Reply • Share ›

Randall Smith ➦ birnadet • 17 days ago

I have to agree!

6 ∧ | ∨ • Reply • Share ›

Michael Woiwood • 17 days ago

Great Article.

Where I worked, In Rochester,MN, people have known what is happening for years. My last years with IBM were the most depressing time in my life.

I hear a rumor that IBM would love to close plants they no longer use but they are so environmentally polluted that it is cheaper to maintain than to clean up and sell.

10 ∧ | ∨ • Reply • Share ›

Jennifer • 17 days ago

Well done. It squares well with my 18 years at IBM, watching resource action after resource action and hearing what my (unusually honest) manager told me. Things got progressively worse from 2012 onward. I never realized how stressful it was to live under the shadow of impending layoffs until I finally found the courage to leave in 2015. Best decision I've made.

IBM answers to its shareholders, period. Employees are an afterthought - simply a means to an end. It's shameful. (That's not to say that individual people managers feel that way. I'm speaking about IBM executives.)

22 ^ | ⌄ • Reply • Share ›

Herb ➦ Jennifer • 17 days ago

Well, they almost answer to their shareholders, but that's after the IBM executives take their share. Ginni's compensation is tied to stock price (apparently not earnings) and buy backs maintain the stock price.

5 ^ | ⌄ • Reply • Share ›

Felix Domestica • 17 days ago

Also worth noting is that IBM drastically cut the cap on it's severance pay calculation. Almost enough to make me regret not having retired before that changed.

12 ^ | ⌄ • Reply • Share ›

RonF ➦ Felix Domestica • 15 days ago

Yeah, severance started out at 2 yrs pay, went to 1 yr, then to 6 mos. and is now 1 month.

1 ^ | ⌄ • Reply • Share ›

mjmadfis ➦ RonF • 13 days ago

When I was let go in June 2013 it was 6 months severance.

^ | ⌄ • Reply • Share ›

annapurna • 17 days ago

I hope they find some way to bring a class action lawsuit against these assholes.

13 ^ | ⌄ • Reply • Share ›

Mark ➦ annapurna • 16 days ago

I suspect someone will end up hunt them down with an axe at some point. That's the only way they'll probably learn. I don't know about IBM specifically, but when Carly Fiorina ran HP, she travelled with and even went into engineering labs with an armed security detail.

4 ^ | ⌄ • Reply • Share ›

OrangeGina ➦ Mark • 16 days ago

all the bigwig CEOs have these black SUV security details now.

3 ^ | ⌄ • Reply • Share ›

R. J. Smith • 17 days ago

"Member of the IBM family" -- BS. Your employer is not your family.

31 ^ | ⌄ • Reply • Share ›

Mary Malley ➦ R. J. Smith • 9 days ago

I have to disagree with you. I started with IBM on their rise up in those earlier days, and we WERE valued and shown that we were valued over and over through those glorious years. It did feel like we were in a family, our families mattered to them, our well-being. They gave me a month to find a perfect babysitter when they hired me before I had to go to work! They helped me find a house in a good school district for my children. They bought my house when I was moving to a new job/location when it didn't sell within 30 days. They paid the difference in the interest rate of my loan for my new house from the old one. I can't even begin to list all the myriad of things that made us love IBM and the people we worked with and for, and made us feel a part of that big IBM family. Did they change, yes, but the dedication we gave was freely given and we mutually respected each other. I was lucky to work for them for decades before that shift when they changed to be just like every other large corporation.

2 ^ | ⌄ • Reply • Share ›

Georgann Putintsev ➦ Mary Malley • 5 days ago

The Watson family held integrity, equality, and knowledge share as a formidable synthesis of company ethics moving a Quality based business forward in the 20th to 21st century. They also promoted an (volunteer) IBM Club to help promote employee and family activities inside/outside of work which they by-en-large paid for. This allowed employees to meet and see other employees/families as 'Real' & "Common-Interest" human beings. I participated, created, and organized events and documented how-to-do-events for other volunteers. These brought IBMers together inside or outside of their 'working' environment to have fun, to associate, to realize those innate qualities that are in all of us. I believe it allowed for better communication and cooperation in the work place.

To me it was family. Some old IBMers might remember when Music, Song, Skits were part of IBM Branch Office meetings. As President of the IBM Clubs Palo Alto branch (7 yrs.), I used our Volunteer Club Votes to spend ALL that IBM donated money, because they <administratively> gave it back to IBM if we didn't. Without a strong IBM Club presence, it gets whittled down to 2-3 events a year. For a time WE WERE a FAMILY.

^ | ⌄ • Reply • Share ›

marsto ➦ R. J. Smith • 13 days ago

Except when your employer is the one preaching associate loyalty and “we are family” your entire career. Then they decide you’ve been too loyal and no longer want to pay your salary and start fabricating reasons to get rid of you. ADP is guilty of these same practices and eliminating their tenured associates. Meanwhile, the millennials hired play ping pong and text all day, rather than actually working.

5 ^ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ marsto • 12 days ago

Yeah, and how many CEOs actually work to make their companies great instead of running them into the ground, thinking about their next job move, and playing golf

3 ^ | ⌄ • Reply • Share ›

HiJinks ➦ R. J. Smith • 14 days ago

It was true at one time, but no more.

1 ^ | ⌄ • Reply • Share ›

Herb Tarlick ➦ R. J. Smith • 15 days ago

This one was until the mid eighties.

1 ^ | ⌄ • Reply • Share ›

OrangeGina ➦ R. J. Smith • 16 days ago

very true, however for many of us, our co-workers of a very long time ARE family. Corporations are NOT people, but they are comprised of them.

1 ^ | ⌄ • Reply • Share ›

Randall Smith ➦ R. J. Smith • 17 days ago

Not anymore. With most large companies, you've never been able to say they are "family." Loyalty used to be a thing though. I worked at a company where I saw loyalty vanish over a 10 year period.

13 ^ | ⌄ • Reply • Share ›

owswitch • 17 days ago

Just another fine example of how people become disposable.
And, when it comes to cost containment and profit maximization, there is no place for ethics in American business.
Businesses can lie just as well as politicians.

Millennials are smart to avoid this kind of problem by remaining loyal only to themselves. Companies certainly define anyone as replaceable - even their over-paid CEO's.

16 ^ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ owswitch • 16 days ago

The millennials saw what happen to their parents and grandparents getting screwed over after a life time of work and loyalty. You can't blame them for not caring about so called traditional American work ethics and then they are attacked for not having them when the business leaders threw away all those value decades ago.

Some of these IBM people have themselves to blame for cutting their own economic throats for fighting against unions, putting in politicians who are pro-business and thinking that their education and high paying white collar STEM jobs will give them economic immunity.

If America was more of a free market and free enterprise instead of being more of a close market of oligarchies and monopolies, and strong government regulations, companies would think twice about treating their workforce badly because they know their workforce would leave for other companies or start up their own companies without too much of a hassle.

8 ^ | ⌄ • Reply • Share ›

HiJinks ➦ disqus_ZBXJDbYJHe • 14 days ago

Under the old IBM you could not get a union as workers were treated with dignity and respect - see the 3 core beliefs. Back then a union would not have accomplished anything.

1 ^ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ HiJinks • 14 days ago

Doesn't matter if it was the old IBM or new IBM, you wonder how many still actually voted against their economic interests in the political elections that in the long run undermine labor rights in this country.

1 ^ | ⌄ • Reply • Share ›

HiJinks ➦ disqus_ZBXJDbYJHe • 13 days ago

So one shouldn't vote? Neither party cares about the average voter except at election time. Both sell out to Big Business - after all, that's where the big campaign donations come from. If you believe only one party favors Big Business, then you have been watching to much "fake news". Even the unions know they have been sold out by both and are wising up. How many of those jobs were shipped overseas the past 25 years.

1 ^ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ HiJinks • 12 days ago

No, they should have been more active in voting for politicians who would look after the workers' rights in this country for the last 38 years plus ensuring that Congressional people and the president would not be packing the court system with pro-business judges. Sorry, but it is the Big Business that have been favoring the Republican Party for a long, long time and the jobs have been shipped out for the last 38 years.

2 ^ | ⌄ • Reply • Share ›

HiJinks ➦ disqus_ZBXJDbYJHe • 11 days ago

Lets see, so you are saying it is all the Republicans fault and never the Democrats. So by your "logic", when the Democrats control both Houses and the president is a Republican, it is the Republican president's fault. When the Republicans control both Houses and the president is a Democrat, then it is the Republican's fault. Hmm, when the Democrats control all three branches, it is still the Republican's fault.

Typical left-wing doublespeak BS - always want to have it both ways.

1 ^ | ⌄ • Reply • Share ›

Mandarin ➦ HiJinks • 8 days ago

HiJInks; disqus didn't say any of that- you made it up so you could shoot it down. And under International Comment Forum Rules, commenters who introduce a strawman to win an argument immediately forfeit the discussion.

1 ^ | ⌄ • Reply • Share ›

HiJinks ➦ Mandarin • 7 days ago

I have no idea who you are but you either have not been following what has been posted or you are ideologically in agreement with Discus or both. Implied in Discus's posts is it is all the Republican's (right-wing) fault for all the political problems. In my last post, everything from Reagan on is factual, not BS as Discus would have one believe.

^ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ HiJinks • 4 days ago

Wrong, everything on Reagan and other Republicans is not factual.

^ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ HiJinks • 11 days ago

MMM, Reagan and the two Bushes got away with a lot of stuff because the Democrats have been browbeaten with being soft on crime and Communism, not standing up to dictators, and being unpatriotic for decades.

Well, the Republicans change the filibuster rules in the House of Representatives where anything that Obama send to them would never get out of the house. In addition, they have stated that on the public record that they will never cooperate with a Democratic president and a Democratic congress.

Now the Republican control all three branches of government and they can't get their act together and are still blaming the Democrats.

Typical right wing BS and they will alway tried to get their way and will always make some innocent person(s) a scapegoat for the failure of their own flaw policies.

3 ^ | ⌄ • Reply • Share ›

HiJinks ➦ disqus_ZBXJDbYJHe • 10 days ago

Really? Its the Republicans who get browbeaten by the Democrats and the MSM. You must be a very blissful person as you seem to adhere to that old adage about "ignorance" or you live in Colorado and are breathing that cannabis-laden air.

Reagan had to contend with the Democrats controlling the House of Representatives as did G.H.W. Bush. The Republicans gained control in 1995. Democrat Tom Foley was the Speaker who coerced G.H.W. Bush into raising taxes, which helped cost him the election. The Republicans had the Senate the first 6 years of Reagan's terms and the Democrats had it the next 6 years (2 of Reagan and all 4 years of Bush's term).
That rule to eliminate the filibuster in the House of Representatives was past back in 1842 and the disappearing quorum was eliminated back in 1890. As for the at "public record", that was stated by the Democrats when Trump was elected. The first 2 years of Obama's presidency, the Democrats controlled everything and pretty much shut the Republicans out. The Democrats and Obama had 3 Republican Senators that voted with them - Snowe, Collins and Specter. When the Republicans gained control of Congress, they were browbeaten by the Democrats and their MSM lackeys into supporting legislation Obama wanted and could not override the Obama vetoes of any legislation they wanted past. So show where there is a verifiable "on record" statement of Republican legislators stating they will never cooperate with a Democrat president or Congress. Yet you can find youtube videos of Democrats stating such.
About the only thing you state that has a ring of truth to it is the Republicans can't get their act together. One reason is because they are more representative of Americans than the left-wing dictatorial Democrat party - the Democrat legislators do what Schumer and Pelosi order them to do.
As for "flawed policies", both parties have had them - moreso the Democrats than the Republicans. As usual, you have your head where the sun doesn't shine like all leftists. The BS is flowing from your lips, not the right-wing in this case. So grab both cheeks and try to give a hearty heave-ho and extract head if that's possible.

^ | ˅ • Reply • Share ›

fibm ➦ HiJinks • 9 days ago

And it happened again...and again. Yesterday 3 friends retired 'early' and 3 others all over 50 were Resource Actioned (fired)

2 ^ | ˅ • Reply • Share ›

John D ➦ disqus_ZBXJDbYJHe • 16 days ago

Bull. Find one such IBM person who did any of those things.

2 ^ | ˅ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ John D • 15 days ago

Tell me of any IBM person who did not do anything of those things.

^ | ˅ • Reply • Share ›

Randall Smith ➦ owswitch • 17 days ago

Some people wonder why everyone wants a "side-gig." This right here folks.

12 ^ | ˅ • Reply • Share ›

North_40 • 17 days ago

A potentially damning side effect of this form of employee treatment is that IBM has seeded hundreds of companies with ex-IBMers who were either outright fired or simply resigned just as described in this article. For those who land in decision making positions with other companies, do you think they will be lining up to recommend the purchase of IBM's next big thing? Not going to happen. I once heard an IBM marketing rep admit that when he goes into a customer engagement and hears the words "I'm an ex-IBMer", his first thought is 'oh sh.t!'

48 ^ | ˅ • Reply • Share ›

dauwkus ➦ North_40 • 4 days ago

I took an early retirement package when IBM first started downsizing. I had 30 years with them, but I could see the writing on the wall so I got out. I landed an exec job with a biotech company some years later and inherited an IBM consulting team that were already engaged. I reviewed their work for 2 months then had the pleasure of terminating the contract and actually escorting the team off the premises because the work product was so awful. They actually did a presentation of their interim results - but it was a 52 slide package that they had presented to me in my previous job but with the names and numbers changed.

2 ^ | ˅ • Reply • Share ›

DarthVaderMentor ➦ dauwkus • 3 days ago

Intellectual Capital Re-Use! LOL! Not many people realize in IBM that many, if not all of the original IBM Consulting Group materials were made under the Type 2 Materials clause of the IBM Contract, which means the customers actually owned the IP rights of the documents. Can you imagine the mess if just one customer demands to get paid for every re-use of the IP that was developed for them and then re-used over and over again?

⌃ | ⌄ • Reply • Share ›

Playing Defense ➦ North_40 • 5 days ago

I advise IBM customers now. My biggest professional achievements can be measured in how much revenue IBM lost by my involvement - millions. Favorite is when IBM paid customer to stop the bleeding.

1 ⌃ | ⌄ • Reply • Share ›

davosil ➦ North_40 • 14 days ago

True dat! Every former or prospective IBM employee is a potential future IBM customer or partner. How you treat them matters!

3 ⌃ | ⌄ • Reply • Share ›

Paul Brinker ➦ North_40 • 17 days ago

20 Years ago the line was "No one got fired for hiring IBM". I bet in the next 10 years it will be , "I got fired for hiring IBM"

14 ⌃ | ⌄ • Reply • Share ›

David Howell ➦ Paul Brinker • 14 days ago

Or just "everyone got fired at IBM"

4 ⌃ | ⌄ • Reply • Share ›

Ribit • 17 days ago

If the criteria for layoff is being allegedly overpaid and allegedly a poor performer, then it follows that Grinnin' Jenny should have been let go long ago.

22 ⌃ | ⌄ • Reply • Share ›

WTF9999 ➦ • 17 days ago

"That's just how the market works."

Actually, no it doesn't if you think startups are beating blue chip companies. Check the financial: Revenue for 2017 $79 Billion, Total Assets $125 Billion. But yeah some startup by a bunch of college kids is going to do that.

1 ⌃ | ⌄ • Reply • Share ›

ytzpzvgk ➦ WTF9999 • 17 days ago

Uh no. But thousands of startups are nibbling at IBM's heels and if they weren't playing all of these games to get rid of people, the company might already be under.

⌃ | ⌄ • Reply • Share ›

NoPolitician ➦ • 17 days ago

The business reality you speak of can be tempered via government actions. A few things:

- One of the major hardships here is laying someone off when they need income the most - to pay for their children's college education. To mitigate this, as a country we could make a public education free. That takes off a lot of the sting, some people might relish a change in career when they are in their 50s except that the drop in salary is so steep when changing careers.

- We could lower the retirement age to 55 and increase Social Security to more than a poverty-level existence.Being laid off when you're 50 or 55 - with little chance to be hired anywhere else - would not hurt as much.

- We could offer federal wage subsidies for older workers to make them more attractive to hire. While some might see this as a thumb on the scale against younger workers, in reality it would be simply a counterweight to the thumb that is already there against older workers.

- Universal health care equalizes the cost of older and younger workers.

The other alternative is a market-based life that, for many, will be cruel, brutish, and short.

4 ⌃ | ⌄ • Reply • Share ›

disqus_ZBXJDbYJHe ➦ NoPolitician • 16 days ago

We need to have better job retraining programs like they have in Europe and/or make it easy for people to launch their own business and have laws that enable them to compete against the monoplies.

1 ⌃ | ⌄ • Reply • Share ›

Randall Smith ➦ • 17 days ago

Companies have been doing this for a long time. Someone needs to do one of these stories on AT&T.

AT&T is almost cyclic in the way they layoff and hire.

2 ⌃ | ⌄ • Reply • Share ›

donttreadonme9 ➦ • 17 days ago

And thats why they age discrimnate which is illegal. No excuse to treat people like that....pathetic. Dont try to justify their behavior.

8 ⌃ | ⌄ • Reply • Share ›

ytzpzvgk ➦ donttreadonme9 • 17 days ago

I'm not so much justifying their behavior as much as explaining it. The marketplace can't sustain the same kind of coddling that corporate America could generate in the boom-boom 50s and 60s.

The fact is that it's much cheaper to hire a bunch of 20 year olds, stick them in an unfinished loft, give them some sugary snacks and tell them that it's "cool". They'll work 20 hour days because they've been fed this story by the media. Yeah, a 50 year old with 30 years of experience is faster and less likely to make mistakes, but the difference is not as big as any 50 year old would like to believe.

The thing is that most experience is not worth very much when the frameworks and the programming styles change every two to three years.

IBM has to compete for contracts with these startups fueled by caffeine. It would be nice if they could honor their past traditions and pay handsomely with full health care benefits, but the overseas firms are undercutting them left and right. It's either do this, or go out of business faster.

2 ⌃ | ⌄ • Reply • Share ›

Thom Randolph ➦ ytzpzvgk • 16 days ago

It's a myth that programmers somehow can't adapt to new programming languages, frameworks and work-process styles. It's just another excuse.

5 ⌃ | ⌄ • Reply • Share ›

Lorilynn King ➦ ytzpzvgk • 16 days ago

Step back and think about this for a minute. There are plenty of examples of people who were doing their jobs, IN SPADES, putting in tons of unpaid overtime, and generally doing whatever was humanly possible to make sure that whatever was promised to the customer was delivered (within their span of control... I'm not going to get into a discussion of how IBM pulls the rug out from underneath contracts after they've been signed).

These people were, and still are, high performers, they are committed to the job and the purpose that has been communicated to them by their peers, management, and customers; and they take the time (their OWN time) to pick up new skills and make sure that they are still current and marketable. They do this because they are committed to doing the job to the best of their ability.... it's what makes them who they are.

IBM (and other companies) are firing these very people ***for one reason and one reason ONLY***: their AGE. They have the skills and they're doing their jobs. If the same person was 30 you can bet that they'd still be there. Most of the time it has NOTHING to do with performance or lack of concurrency. Once the employee is fired, the job is done by someone else. The work is still there, but it's being done by someone younger and/or of a different nationality.

The money that is being saved by these companies has to come from somewhere. People that are having to withdraw their retirement savings 20 or so years earlier than planned are going to run out of funds.... and when they're in nursing homes, guess who is going to be supporting them? Social security will be long gone, their kids have their own monetary challenges.... so it will be government programs.... maybe.

This is not just a problem that impacts the 40 and over crowd. This is going to impact our entire society for generations to come.

5 ⌃ | ⌄ • Reply • Share ›

ytzpzvgk ➦ Lorilynn King • 16 days ago

I completely agree that it's often unfair for many people, especially the older folks who have so much experiences, but I'm guessing that IBM is playing the odds. The simple fact is that older people have more health issues and medical procedures cost lots of money. For some dumb reason, we expect employers to pick up these bills. Who can't be surprised when the employers do the logical thing and dump groups of people known to cost more to keep healthy?

And even if we set aside the money, the sad fact is that medical procedures sap your working ability. They take time and energy away from the job.

Yes, there are diligent, high performing people who work hard to bounce back, but they're only human and humans need time to recover.

^ | ˅ • Reply • Share ›

dragonflap ➦ ytzpzvgk • 17 days ago

"Coddling"?!? From the same company that killed pensions, slashed its severance benefits down to near-nothing, and has its employees (coders!) working at 4'x2' desks in former cubicle farms. The last thing anyone at IBM feels is coddled--unless, of course, they're a VP or higher.

7 ^ | ˅ • Reply • Share ›

ytzpzvgk ➦ dragonflap • 17 days ago

Dude. It's a race to the bottom for the companies. Desks in cubicle farms are common. Many startups that compete against IBM put people in lofts and other open spaces, stacking them cheek to jowl. That's standard now and IBM is just coming down to the standard.

^ | ˅ • Reply • Share ›

Mary in NJ ➦ ytzpzvgk • 17 days ago

Dude, with all due respect, IBM was at the head of this curve, not "just coming up to standard". Pensions were eliminated in the mid nineties. Benefits have been continually slashed for 25 years. Raises virtually eliminated. They instituted "Variable Pay" to make up for crummy wages. This was meant to be an incentive bonus paid out as a percentage of salary based on how your unit performed, until they eliminated that as well. During this race to the bottom, Exec pay was protected and options generously handed out (tied to earnings financially engineered to always meet target, even though Revenue was declining). You write as someone observing from the outside. I spent 23 years there working in CHQ finance that modeled all these RA's. Please show some respect to the the thousands upon thousands who were treated like yesterday's trash by IBM.

5 ^ | ˅ • Reply • Share ›

ytzpzvgk ➦ Mary in NJ • 17 days ago

Dude. I've worked at IBM myself, but not for 23 years.

I hate to burst your bubble, but the other companies outside IBM are worse. This is the race to the bottom and it's dragging IBM down. During the high growth years of the 50s and 60s, the company could get away with generous promises. No longer.

^ | ˅ • Reply • Share ›

John ➦ • 17 days ago

I was laid off by IBM last week, they are not honoring my employment contract which gives me Years if Service towards medical benefits and severance pay, they are instead giving me the run around.

8 ^ | ˅ • Reply • Share ›

ytzpzvgk ➦ John • 17 days ago

Yup. It sucks. I hope you sue them successfully.

5 ^ | ˅ • Reply • Share ›
