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ProPublica/Mother Jones Investigation Confirms IBM Layoffs Targeted Older Workers

IBM's layoffs have been a frustrating story to cover in recent years; ProPublica and Mother Jones take it on

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Photo: Bloomberg/Getty Images

IBM's layoffs: it's been a frustrating story to cover—and I've been trying since 2015. So I was thrilled today when *ProPublica* (<https://features.propublica.org/ibm/ibm-age-discrimination-american-workers/>) and *Mother Jones* (<https://www.motherjones.com/crime-justice/2018/03/ibm-propublica-gray-hairs-old-heads/>) jointly released the results of their own investigation of IBM layoffs.

That investigation showed that IBM has systematically used layoffs to reduce the age of its workforce, targeting “people with layoffs and firings with techniques that tilted against older workers” and attempting to “sharply increase hiring of people born after 1980.”

The report (<https://features.propublica.org/ibm/ibm-age-discrimination-american-workers/>) also indicated that IBM laid off U.S. workers as part of an effort to move jobs overseas and that it “told some older employees being laid off that their skills were out of date, but then brought them back as contract workers, often for the same work at lower pay and fewer benefits.”

Yes, yes, and yes. In my 2015 story, I reported (</view-from-the-valley/at-work/tech-careers/massive-worldwide-layoff-underway-at-ibm>) that IBM was reportedly wielding a massive ax through its workforce, with older employees hit the hardest. The evidence was anecdotal—long-time employees, typically in their 50s, suddenly found themselves without a job, and with minimal severance benefits.

IBM, when asked to comment, stonewalled. It wouldn't release numbers, like most companies do, much less any kind of age breakdown. It gaslighted. Layoffs? What layoffs? I must be imagining layoffs—after all, in recent years, after several years of extreme downsizing, the company ended each year with roughly the same number of employees it began it with—why would I think those were different people? And if they were different people, well, it was about “workforce rebalancing,” because IBM was refocusing on cloud, analytics, and other new technologies.

I found some numbers (</view-from-the-valley/at-work/tech-careers/which-ibm-layoff-numbers-add-up>), and continued to gather anecdotal information, directly and through formal and informal employee groups, including one that has morphed into the Facebook group Watching IBM (<https://www.facebook.com/alliancemember/>).

In 2016, I reported on another wave of layoffs (</view-from-the-valley/computing/it/reports-coming-in-of-mass-us-layoffs-underway-today-at-ibm>), again, with mostly anecdotal evidence. That report included IBM's efforts to force people to quit by relocating their offices or ending telecommuting options. At the time, one affected employee told me that he believed the older and higher paid employees would not be making the move, having deep roots in their local communities, so this policy could lower the average age of the IBM workforce.

“It is bad, really bad,” another employee said in a phone call at the time. “It's a mass layoff today. It is a sad day for IBM. People are being told not to talk about it. I was told by a manager in getting the news [of my job being eliminated], who was reading off of a script, that one third of the U.S. workforce is being ‘rebalanced,’ which is what they call it.”

Again, IBM gaslighted. An IBM spokesperson said that rumors of layoffs affecting a third of the U.S. workforce were untrue, and IBM “currently has more than 25,000 open positions” as part of “transforming its business to lead in a new era of cognitive and cloud computing.”

Meanwhile, that round of layoffs (that according to IBM wasn't actually happening) spread worldwide (</view-from-the-valley/at-work/tech-careers/ibm-layoff-epidemic-spreads-worldwide>).

IBM continued to lay off workers as discreetly as possible in 2017, reporting on them in [employment news roundups \(/view-from-the-valley/at-work/tech-careers/analyst-ugly-year-for-tech-layoffs-and-its-going-to-get-worse\)](#) on occasion. But sadly, for me, it became a little bit old news (not, of course, for those newly affected). IBM repeatedly cuts older workers and U.S. jobs, according to those laid off, and denies it. In fact, the company stopped reporting workforce numbers by country. Instead, it moved to just reporting total global workforce, which has stayed roughly level, even as the anecdotal reports of layoffs continued at a steady pace.

The *ProPublica/Mother Jones* team also relied mostly on anecdotal information. First, they gathered informal stories by calling people who responded to a short questionnaire asking about age discrimination in general. That led them to [Watching IBM \(/http://www.facebook.com/alliancember/\)](#) (an IBM employee group on Facebook), where they realized the IBM-specific part of the age discrimination problem was a story in itself. (Though IBM isn't, of course, the only tech company that seems to prefer younger workers; older tech workers throughout the industry [worry about age discrimination \(/view-from-the-valley/at-work/tech-careers/does-age-discrimination-in-tech-start-at-40\)](#))).

ProPublica sent its general questionnaire out through Watching IBM, then created a more IBM-specific questionnaire that it distributed widely. Additionally, by using social media, *ProPublica* targeted days on which IBM released earnings and regions where layoffs were rumored to be happening as part of its questionnaire distribution strategy.

Through this effort, the investigative team confirmed what I'd learned over the years: Yes, layoffs have been going on, designed in many cases to reduce the age of the workforce or move jobs to India.

They also managed to get their hands on some internal documents—none were exactly a smoking gun, but point to a company that is smoking out a lot of older employees. I hadn't known, for example, about the presentations given to managers about the importance of millennials in a workforce, about the spreadsheets that coded layoffs aimed at offshoring jobs as “lift and shift,” or about a performance rating system that disadvantaged older workers by awarding “points” for being relatively *new* in a job.

The *ProPublica* investigative team also dug into SEC filings, calculating the cost of laying off one worker as at least US \$70,000 and comparing that with reported “workforce rebalancing charges.” By that calculation, they came up with at least 62,000 job cuts in the past 5 years, but indicated that that number is likely higher.

IBM, no surprise, did not respond directly to questions from the team about layoffs, though in its statement to *ProPublica* the company did pat itself on the back for complying with the law.

Thanks for bringing this story back into the news—and to a wider audience— *ProPublica* (<https://www.propublica.org/>) and *Mother Jones* (<https://www.motherjones.com/>).

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