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Update: Reports Coming in of Big IBM Layoffs Underway in the U.S.

IBM's restructuring process continues

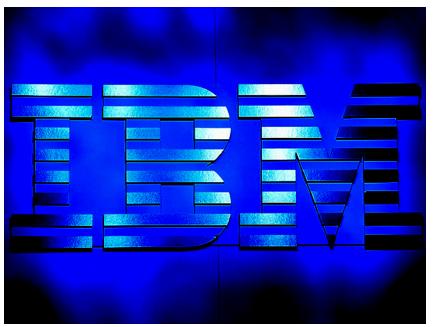By **Tekla S. Perry (/author/perry-tekla-s)**

Photo: Getty Images

Update 20 May 2016:

In late May another round of layoffs rolled through IBM. Most reports are coming from the United States and Australia, affecting several thousand people, according to Lee Conrad, who collects reports on job cuts at Watching I (https://www.facebook.com/alliancemember/?fref=ts)BM (http://www.facebook.com/alliancemember/?fref=ts)on Facebook.

"The lights are turning off in IBM United States," Conrad says.

IBM confirmed that cuts are being made, but gave no numbers. A company spokesperson repeated his previous statement about "aggressively transforming its business" to focus on cognitive and cloud computing and pointed out that the company still has 25,000 openings. Again, IBM has not indicated where in the world those jobs actually are. "If we meet our hiring targets, we expect our employee numbers to be roughly the same at year-end as they were in 2015," the IBM spokesperson said. That statement seems to indicate that as many as 25,000 employees who had jobs at the beginning of 2015 won't still have them at the end of the year, but without IBM breaking down workforce numbers by region it will be impossible to tell where jobs were lost. Of the current listed openings, employees have reported (http://wraltechwire.com/layoffs-hit-ibm-in-triangle-big-blue-confirms-cuts-but-says-it-has-25k-open-jobs/15716551/#zCdprFwKH8DlMz6f.99) that fewer than 2000 are in the U.S.

Those affected by this week's layoffs report that their last day of work will be 17 August, with a one-month severance. A few of the many, many reports posted on Watching IBM (https://www.facebook.com/alliancemember/?fref=ts):

"It was across many departments and a lot in Cloud, where I was. They kept the people on my team at a lower pay grade, and cut those in a higher band."

"17 years with IBM. 2+ rating. Got my RA call. Done Aug 17. Was told this one is big and more to come."

"Second wave of RA'S today in Costa Mesa. Multiple products are being transferred to India. We are training our replacements."

"My husband was laid off this morning. Knew once India was starting to be on calls that something would happen. Lots of Indian programmers working on projects now."

"Laid off this morning after 12 years. Was told it was going to be a big one. Commerce group in Littleton MA."

"Just got RA'd. Analytics. 29 years. Knew it would happen eventually but it's still a punch in the gut."

"I'm a Team Lead with 4 Infrastructure Engineering teams and 11 years with IBM. Just got a term date today, 90 days. I was rated as high as you can get recently; just moving everything to India."

Others, though they haven't received layoff notices, are reportedly feeling pushed out the door: Earlier this month IBM announced that people working in analytics, many of whom work remotely, will have to relocate to one of several designated facilities or resign. For example, according to a report on Watching IBM, the Agoura Hills, Calif., site is being shutdown and employees asked to relocate to North Carolina. Others report that they are being told to move to Silicon Valley, where high housing prices make relocation more than challenging. One affected employee, who currently works at home and will likely resign, told me that he believes the older and higher paid employees will not be making the move, having deep roots in their local communities, so this policy could lower the average age of the IBM workforce.

Original post 2 March 2016:

Last week, IBM reported to investors that its workforce at the end of 2015 was almost as big as its workforce at the end of 2014 (within less than 1 percent), in spite of a year in which 70,000 employees left the company, to be replaced with new hires and acquisitions.

By the end of this week, the picture may look quite different. Today reports are coming in that big layoffs across the United States are underway, likely one-third of the U.S. workforce, according to one soon-to-be-laid-off IBMer. (At the end of 2015, IBM had approximately 378,000 employees worldwide; it no longer breaks out numbers for individual countries.) Such reports used to be gathered by the Endicott Alliance, a union organizing effort that closed its doors last year. Now they are being collected by an informal Facebook group, "WatchingIBM," that was started by former members of that organization.

Likely adding to the pain of many of these workers is a recent <u>change in IBM's severance policy (http://www.poughkeepsiejournal.com/story/money/companies/ibm/2016/01/26/ibm-severance-employees-jobs/79357578/)</u>, reducing a potential maximum of six months of benefits to one month's worth. The new policy only applies to those who lose their jobs due to the elimination of a position or due to unsatisfactory performance, and it should kick in during mass layoffs. However, employees in the past have complained, directly to me and to others, that the company often manipulates performance reviews to eliminate employees. There are some signals in the stories below that this is happening in this case.

Here's what some of those affected today reported to the WatchingIBM Facebook group:

> "I am a GTS Strategic Outsourcing casualty of the mass firing today. My manager told me it was big and widespread, and I'd be hearing from a lot of people that will also be notified today."
>
> "After 41 plus years I got the call today. How many more ways can they take from hard working IBM'rs? I was ready to go last year when they had the severance package. Why didn't they do it then? We have been living and working with this 'writing on the wall' for years. What stings the most is the severance cut."
>
> "Latest areas getting cut: AA IBM CMS Cloud Division; AMS Strategic Technical Services; Global Services Parts Operations; GTS Strategic Outsourcing. Workers are also reporting work is being moved offshore to Hungary and Brazil."
>
> "I am cut while my replacement H1B visa worker stays."
>
> "The 6 hardware planners in Poughkeepsie were all laid off as of as of 5/31 with one-month severance."
>
> "The big s$#* job is that I'm only getting 1 month severance instead of the 25 weeks I am entitled when I was hired."
>
> "Our Service Availability Management team got the axe today. Very sad day after 28 years with the company"

I also received a phone call from a soon-to-be former IBM employee at a New Jersey IBM facility who had a similar story to tell. I had never spoken to him before but he was reaching out because he believed the media needs to get the word out about what is happening. Here's what he had to say:

> "It is bad, really bad. 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.
>
> Concerning performance reviews, I've gotten 2+'s [IBM employees are rated on a scale of 1 to 3, 1 being the highest] for years, this year I got a 3. The manager told me he'd been told that he needed to RA a certain number of people. But I'm hearing that even people with 2s were RA'd [another IBM term for layoff, it stands for resource action] today.
>
> They are giving us 90 days paid working notice, one-month severance, and $2500 in money for retraining.
>
> IBM is trying to candy coat this thing, they will frame it as a skill set change. But we think it's more about jobs going to India and other places."

An IBM spokesperson said that rumors of layoffs affecting a third of the U.S. workforce today are 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."

Please comment below if you have personal knowledge of today's IBM layoffs.

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