

# Think **KTWICE!**

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THE OFFICIAL PUBLICATION OF THE ALLIANCE@IBM/CWA LOCAL 1701

## Tech Worker Job Crisis Starts Hitting Home

IBM employees used to say that IBM stood for "I've Been Moved." Now it is the job being moved to places like India, Brazil and China while the IBM employee goes to the unemployment line.

In the summer of 2003, the *NY Times* reprinted the transcript of IBM executives talking about the offshoring of jobs as an irreversible fact. Since then, many in our country have started questioning the ramifications of the loss of well-paid information technology jobs.

While there have been job losses in IBM for many years, this newest wrinkle is different. This isn't just job loss — it is job shifting. Taking the work out of the hands of IBM employees and putting it into the hands of low-

cost labor overseas. Why is this being done? In the words of one IBM executive, "Everyone else is doing it." Remember when IBM was a leader in enhancing employees' lives? Now they are just like any other company following the pack downward.

Information leaked to the press has already reported that IBM will offshore over 4,000 Global Services jobs. Many believe this is just the tip of the iceberg. IBM employees are already reporting that they are being asked to train their replacements, and then their jobs will be shifted to another country. IBM management, increasingly sensitive to employee revolt and anger, are holding out the "availability" of another job once the training

is done. That remains to be seen.

Criticism against offshoring has been mounting and IBM, in trying to fend off repeated leaks about the number of IBM employee jobs that could be affected, recently announced that 15,000 new employees would be hired.

For many this is simply public relations "smoke and mirrors." IBM needs to back up its PR with facts.

*Continued on page 2*

## 2004 IBM STOCKHOLDER MEETING IN PROVIDENCE, RHODE ISLAND

On Tuesday April 27, IBM employees, retirees, former employees and stockholders will have a unique opportunity to present their views to IBM's corporate management and Board of Directors.

This year we are faced with critical issues such as the offshoring of jobs and the declining benefits of employees and retirees.

The Alliance is planning activities around these issues and 5 shareholder proposals.

If you are planning on attending the stockholder meeting and would like to participate in our activities please e-mail the Alliance at: [endicottalliance@stny.rr.com](mailto:endicottalliance@stny.rr.com)

## Stockholder resolutions challenge IBM on Executive Compensation, Offshoring and Pensions.

IBM employees and retirees have submitted 5 stockholder resolutions to IBM for consideration for the 2004 meeting. Three of the resolutions deal with executive compensation.

The resolutions are as follows:

- Full Disclosure of Executive Officer Compensation
- Proposal on Executive Compensation
- Proposal on Pension and Retirement Medical
- Proposal on Offshoring
- Review and Report on Executive Compensation

To view the proposal language please go to [www.allianceibm.org/resolutions.htm](http://www.allianceibm.org/resolutions.htm)

## Join the Alliance@IBM/CWA

Join the Alliance@IBM/CWA and join with your co-workers in building the strength and unity that we will need to reverse anti-employee benefit and personnel policies at IBM. If we work together, we can make IBM into a better and more secure place to work. Sign up below and be a part of the movement for positive change at IBM!

Name \_\_\_\_\_ Job Title \_\_\_\_\_  
Work location/Division \_\_\_\_\_ Years with IBM \_\_\_\_\_  
Home Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Home e-mail \_\_\_\_\_ Home phone \_\_\_\_\_

(Check boxes that apply)

**Voting member.** I will pay monthly dues of \$10 and become a voting member of the Alliance@IBM/CWA Local 1701. Send me an application form.

**Subscriber.** I want to receive Alliance publications and be placed on the Alliance e-mail list.

**For information go to [www.allianceibm.org](http://www.allianceibm.org)**

## TAKE ACTION!

### Save American High Tech Jobs! You can help!

#### JOIN THE RALLY AT THE ANNUAL SHAREHOLDER'S MEETING

- April 27, Providence, RI
- We'll provide the signs, you provide the voice!
- We will be joined at the rally by the Programmers Guild and other organizations fighting the loss of middleclass jobs
- The national press will be there to hear our story

#### WRITE YOUR STATE AND FEDERAL CONGRESSIONAL REPS

- Tell them to support the legislation listed here (see below).
- Tell them you will vote for whomever supports saving our jobs!

**Don't wait until you hear the offshore bell toll for your job. Take action now!**

## Offshoring Legislation In The Different States

Offshoring has sparked a round of bills in state legislatures. Below is a snapshot of bills in various states, with the bill number (where available) and a brief description of the purpose of each bill. Alliance members and supporters need to start contacting their legislators to seek their support and to educate them about the impact of offshoring on our families, communities and states. We also need you to let us know if there are any mistakes or omissions in the table. For more information on a specific bill or on how to become involved in the Alliance's legislative efforts, contact Ralph Montefusco, Alliance Organizer, at 802-598-5613 / [Rmontefu@sover.net](mailto:Rmontefu@sover.net).

#### State Bills

- |  |                |
|--|----------------|
| <b>Arizona</b>   | <b>HB 2581</b> |
| Call Centers (restricts work from being performed offshore and/or mandates employees at centers to say where they are located) |                |
| <b>California</b>  | <b>n/a</b>     |
| Legislation being drafted  |                |
| <b>Colorado</b>  | <b>SB 170</b>  |
| Prohibits offshoring by state agencies/contractors   |                |
|  | <b>SB 169</b>  |
| Prohibits companies sending more than 100 jobs overseas from acquiring taxpayer dollars  |                |
|  | <b>HB 1289</b> |
| Call Centers (restricts work from being performed offshore and/or mandates employees at centers to say where they are located) |                |
| <b>Georgia</b>   | <b>HB 1218</b> |
| Call Centers (restricts work from being performed offshore and/or mandates employees at centers to say where they are located) |                |
| <b>Hawaii</b>  | <b>HB 1922</b> |
| Call Centers (restricts work from being performed offshore and/or mandates employees at centers to say where they are located) |                |

#### Illinois **HB 4550, SB 2375**

Prohibits offshoring by state agencies/contractors

#### Indiana **SB 0004**

Same as above

*Continued on page 2*

#### PENSION VICTORY:

### IBM ordered to repay workers put on cash-balance pension

In a landmark decision, a federal judge ruled that IBM must make retroactive payments to IBM employees who were affected by the 1995 & 1999 pension changes. The judge's decision, announced as this issue went to press, rebuffed a Dec. 2003 court filing by IBM which contended that it did not owe retroactive payments to employees affected by the pension switch. Last July, the same judge ruled that IBM's pension changes violated age discrimination provisions of federal pension law. No specific remedy has been ordered as yet. Check [www.allianceibm.org](http://www.allianceibm.org) for more details.

## Outsourced to IBM: Broken Promises Plague New Hires

One of the main increases in the growth of the IBM employee population has been in the acquisition of other companies by IBM.

But as workers are brought into IBM, the myth of the company as being “worker friendly” quickly wears off and they are faced with broken promises.

The Alliance has received a number of reports about this trend. Here is a story from one worker:

“We were acquired by IBM due to strategic outsourcing by our previous company. Of course everyone made promises, but they have not come through. When we worked for our previous company we were in a unique situation in that we were classified as exempt but got paid for overtime. When we were in the process of going to IBM we were told that it would be reviewed, but our previous company told IBM that as exempts we got no additional compensation, which was not true.

“HR told us that the issue would be resolved. Unfortunately most of us have now taken 30-55% cuts through the loss of OT and not getting raises we earned at the previous company. We are now working 60-90 hours a week. Previously, we had every other Friday off, but IBM has taken that away. Many of us are working 7 days a week at all hours of the night with no compensation, just promises of comp time. We are provided tools, but have imposed limits on their use. For example, cell phone usage is capped at \$50 a month, but some of us average \$400 a month in usage that IBM won't cover.

“We see no growth path, no flexibility of remote access to the network, and empty promises of ‘family matters more than work.’” Our former managers are now IBM managers and act as puppets pulled by IBM's strings.

The Alliance and a union are looking very tempting to me and my co-workers.”

## Cut by IBM: “Dead Man Walking”

More cuts took place in the early months of the New Year in IGS, Systems Group and Software group. True to form IBM tried to keep these “drive-by-firings” from being made public. IBM employees, fed up with the secrecy, have been furnishing the Alliance with the information to expose these stealth job cuts.

IBM's credibility has been evaporating steadily and it is most apparent in the “you have 30 days to find another job in IBM” scam.

One former employee trying to get another job felt like he was “a dead man walking” — that no manager wanted to hire because he was “resourced out.”

Another employee even sent us the text of a Sametime he had with a prospective new manager.

**Employee:** “Hi, I applied for a job you posted. I was wondering if you can provide a hiring timeline? I have been resourced and need to locate a position by (date). Seems a great fit for my skills.”

**IBM Manager:** “Greetings. I cannot hire off the resource list. Good luck.”

**Employee:** “I am sorry, I don't understand. You can't hire me because I am on the list? I have been interviewed for other jobs.”

**IBM Manager:** “I am not selecting candidates on the current resource list.”

The follow up to this is that that position ended up being withdrawn for lack of funding. IBM efficiency — laying off a position before anyone even takes it. That's On-Demand in action!

Think Twice is written by IBM employees who are seeking a voice in their workplace through the Alliance@IBM/Communications Workers of America (CWA) Local 1701. Write us at the Alliance@IBM, 36 Washington Ave., Endicott, NY 13760, call us at 607-658-9285, fax us at 607-658-9283 or contact us by e-mail through our website at [www.allianceibm.org](http://www.allianceibm.org).

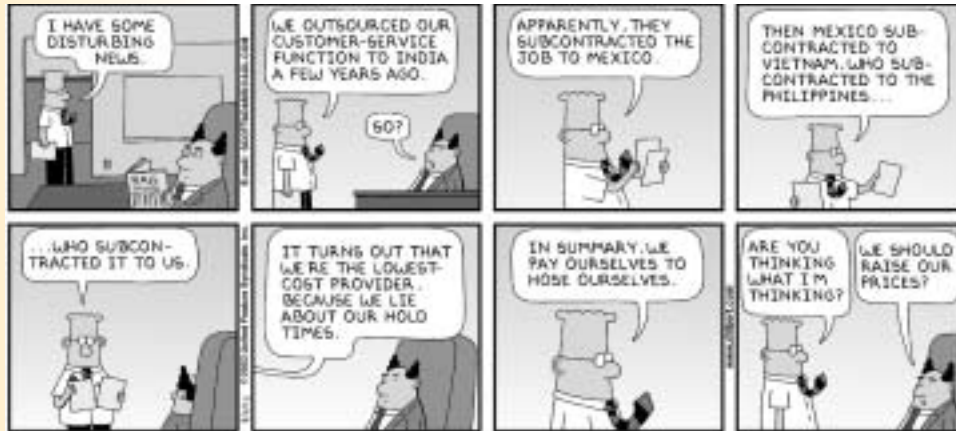
## Tech Worker Job Crisis

Continued from page 1

The Alliance believes IBM should fully disclose on a quarterly basis:

- ▶ The number of jobs created by IBM in the U.S.
- ▶ The number of jobs cut in the U.S.
- ▶ The number of jobs offshored and where.
- ▶ The number of new employees through IBM acquisitions.
- ▶ The number of former IBM employees recalled, rehired and retrained.

The Alliance urges members and employees to become active in the political process and contact their representatives to fight this offshoring trend that is a danger to our jobs, our communities and our economy. Focus on the real villain in offshoring of our jobs — the corporations, not the overseas worker. Get involved. Don't let corporate “economic traitors” call the shots and destroy our jobs and the economic future of the next generation.



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## Cuts in incentive plans called “underhanded” by employees

BY A GLOBAL SERVICES EMPLOYEE

For those of us on incentive plans, IBM has pulled the most underhanded move so far. IBM employees who worked hard in 2003 and met or exceeded their target utilization goal were rewarded with 30% funding of their incentive plan. Instead of \$17,000 or more as an incentive payout, the reward was reduced to \$0 to \$5,000 depending on the organization within ITS.

Were IBM's earnings down 70% for 2003? No. Management excited Wall Street with the results of 2003.

How did they cut the payout? It was easy. First, they raised utilization targets from 68% to 75% in a down economy. Then they created an arbitrary revenue target that is next to impossible to achieve. The result—IBM can avoid paying their employees the incentive plan payout. Will this affect senior management? No. The money IBM stole from their employees can now be claimed as First Quarter profit.

Meanwhile, employees will continue to be rebanded in order to reduce their salary. What IBM has succeeded in doing is reducing their labor costs 10% - 15% on the backs of the people who are generating the income. Furthermore, IBM is creating a hostile environment which they hope will encourage people to quit.

Employees should consider joining the union as their only hope of stopping this trend. I would encourage the union to become active on the issues of rebanding and non/reduced payment of incentive plan payouts.

## State Bills

Continued from page 1

**Iowa** SB 2063

Prohibits offshoring by state agencies/contractors

**Kansas** HB 2524

Same as above

**Maryland** HB 183

Same as above

**Minnesota** HB 1816

Same as above

**Missouri** SB 853

Prohibits offshoring by state agencies/contractors when certain personal information is involved

**SB 1129**

Call Centers (restricts work from being performed offshore and/or mandates employees at centers to say where they are located)

**Nebraska** LB 1223

Prohibits offshoring by state agencies/contractors

**New Jersey** n/a

Legislation being drafted

**New York** AB 9567

Prohibits outsourcing of jobs by businesses receiving state developmental assistance

**North Carolina** n/a

Legislation being drafted

**South Carolina** HB 4434

Call Centers (restricts work from being performed offshore and/or mandates employees at centers to say where they are located)

**Tennessee** HB 2340

Call Centers (Consumer Right to Know)

**Vermont** H 0647

Call Centers (restricts work from being performed offshore and/or mandates employees at centers to say where they are located)

**H 702**

Prohibits offshoring by state agencies/contractors

**Washington** HB 2405

Prohibits state government services from being performed outside of the United States

**HB 2768**

Prohibits offshoring by state agencies/contractors

## PICK UP MAILING PANEL