
BofA: Train your replacement, or no severance pay for you

- [David Lazarus](#)

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Bank of America has been steadily moving thousands of tech jobs to India. The latest to go are about 100 positions that handle BofA's internal tech support.

While many of the bank's Bay Area techies accept the inevitability of their jobs heading abroad, what rankles them is the fact that, in many cases, they're being told they have to first train the Indians who are getting their gigs.

"If people want their severance packages, they have to train their replacements," a senior engineer at one of BofA's Bay Area facilities told me. "There's nothing in writing that says this -- the bank's been careful about that. But it's made clear at meetings what we're supposed to do."

Shirley Norton, a BofA spokeswoman, confirmed that while workers aren't being explicitly told they have to train their replacements or risk losing severance pay, they are being instructed that severance pay is contingent on satisfactorily completing their jobs.

Completing their jobs, in turn, can include training replacements from India, she said.

"I know that's parsing things a bit," Norton acknowledged. "What we ask associates to do as part of getting severance is that they stay on the job until the job is transitioned.

"It's a common practice when your job is being transferred from one person to another that you train the new person," she added. "We expect our people to stay until their jobs are consolidated."

Making workers train someone from India to take their jobs away isn't unique to BofA. Other U.S. companies reportedly have done the same in recent years.

But BofA stands out because it acknowledged earlier this year that it understands how much the practice offends its U.S. employees.

Barbara Desoer, BofA's chief technology exec, told BusinessWeek magazine in January that she was aware how much grumbling it caused when workers at the bank's Concord technology center were told they'd

have to bring their Indian replacements up to speed before being shown the door.

"It caused us to make a greater commitment to our associates," she said. "It caused us to make a larger commitment to explaining the context of changes happening in the marketplace in advance of (changes) happening."

But it apparently didn't cause BofA to stop doing it.

"We've seen a bunch of Indians come through (the Bay Area)," the senior engineer said. He asked that his name be withheld because he's seeking another position within the bank.

"They're very open about it," he said. "They're here to learn our jobs and then leave. Some go back to India, and some settle in Charlotte, where the headquarters is."

Why would BofA hire Indians to work in the United States?

"Because they don't actually work for Bank of America," the engineer replied. "They work for Infosys Technologies and Tata Consultancy Services, which are both in India. They do the work at half the cost of what a U.S. worker gets paid."

Many contractors

BofA's Norton was unable to comment on the bank's contracts with Indian outsourcing firms. But she acknowledged that BofA has many Indian employees and contractors working in the United States.

"There are a lot, in a number of positions," Norton said. "We have been pleased with the quality of the results, the cost savings and the fact that it allows us to have a 24-hour clock."

She said BofA estimates that outsourcing has allowed the bank to save about \$100 million over the past five years.

In 2004, BofA opened a subsidiary in India to process transactions and handle other operations. It now employs about 2,000 workers at three different sites.

The bank has also outsourced numerous jobs to Indian companies like Infosys and Tata. "It's a good business practice if you have the right processes in place," Norton said.

Representatives of Infosys and Tata declined to comment.

BofA's increasing reliance on Indian workers was made evident in a 40-minute presentation given last year to some of the bank's U.S. tech employees. BofA distributed DVDs of the presentation to managers companywide in April as part of a new program called Culture Connections.

One of the DVDs made its way into my hands this week, along with supporting materials provided to managers.

The DVD shows a roomful of about a dozen bank employees being told by a blond-haired American manager (who is wearing purple, Indian-looking clothes) that the presentation will assist them in "understanding the Indian culture and who the Indian is."

This is important, the manager continues, because of "the dependency we have on our teammates who are either here in the U.S. who come from India, or who we interact with on a daily basis who reside in India."

She then introduces the presenter, Shiva Subramaniam, who has traveled from India to give an overview of India's culture, including how the country has "specific gods for specific concepts," and how "it's almost impossible to look at an Indian and not associate him with the game of cricket."

He shows a series of slides during the presentation. Clearly visible at the bottom of the screen are the words "Tata Consultancy Services."

Working with Indians

BofA employees were summoned to "team huddles" last month to learn more about working with Indians. The meeting leader's guide for the get-togethers said the goal is "to build a diverse and inclusive workplace and to prepare associates to meet the challenge of working globally."

A "manager message map" for the presentation on India says that "all associates will be expected to participate in this learning experience" by the end of June.

Norton confirmed that nearly all of BofA's 200,000 workers are expected to sit through the presentation.

"We're dealing with a global customer base and a global employee base," she said. "So we've started a program for people to understand international business cultures."

Exporting more work

The senior engineer said many bank workers suspect that the Culture Connections program is intended primarily to smooth the way toward exporting more work to India.

It's also possible that BofA is responding to a 2003 incident in which one of the bank's software programmers in Concord killed himself after his job was outsourced to India.

Meanwhile, there's growing buzz in banking circles that a new focus on attracting Latino customers in the United States will lead to an increased number of call centers being outsourced to Latin America.

BofA's Norton said the India presentation was only the first in a series of a Culture Connections programs. Next up, she said: Latin America.

David Lazarus' column appears Wednesdays, Fridays and Sundays. Send tips or feedback to dlazarus@sfchronicle.com.