

The Businessweek article below casts a very warm glow on IBM's global mentoring program. IBM employees that receive the following email probably won't get to share the warm fuzzy feeling about mentoring the global village that was portrayed in that fluff article:

<http://www.endicottalliance.org/index.html>

from Senior DPE - Hartford Insurance Account

"Starting next week several Hartford delivery teams will be working directly with fellow IBM team members from India to begin the second phase of our Global delivery solution planned for the Hartford account. The teams will be engaged in a multi-week effort to facilitate

knowledge transfer

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to prepare for migration of specific work activities to global delivery counterparts later in 2009. Your continued support and leadership is critical to ensure our overall success and to ensure we continue to deliver high quality cost effective solutions that IBM committed to the Hartford.

Please ensure you and your teams actively support this effort."

Uh, oh! Did you catch the critical phrase: "knowledge transfer"? I demarked it just in case you happened to miss it. That phrase can be roughly translated into plain English to mean: "train your foreign replacement so that we can fire you". These messages usually come with an implied carrot and stick: the carrot being that if you cooperate in your own demise you will receive severance and perhaps a good job recommendation, but if you refuse you will be immediately fired instead of working for several weeks, will lose unemployment payments, and you will be blackballed. IBM's tactic is called a Morton's Fork, which is a choice between two unpleasant alternatives

Reportedly some U.S. based IBMers are busy training their replacements that come mostly from India on H-1B or L-1 visas. Some Argentinians are also getting knowledge transferred to them also.

Other IBMers are training their replacements by long distance virtual meetings by using the internet. Applications such as Microsoft NetMeeting are used so that the U.S. employee and the foreign trainee can see each other's computer screen and of course it allows videocams, voice, texting, and whatever other tools might be necessary to do the training.

Virtual training is a very cost competitive way to train foreign replacements because it saves on travel expenses and visa processing. This technique is a green technology that allows IBM to save lots of jet fuel by cutting down on international travel. It's possible that IBM could earn some carbon credits for helping to prevent global warming.

There are other advantages to the virtual training -- like for instance there is less chance of physical confrontations between arrogant Indians and angry Americans. It's time efficient too because the minute the foreigner is trained they can be instantly productive as they hit the ground running, and IBM managers and HR people in the U.S. can save hassles by escorting their U.S. employee directly out the front door as soon as the training sessions are completed. Perhaps there could even be a big message on their computer screen that says something like: "PLEASE STAY MOTIONLESS IN YOUR CHAIR WITH YOUR ARMS DOWN UNTIL AN ARMED SECURITY OFFICIAL ARRIVES TO ESCORT YOU OUT OF THE BUILDING!"

This Thursday is being called black Thursday by IBMers. That's because hundreds of U.S. employees will be invited to a 15 minute meeting to receive their termination notice. This saves on resources like paper since pink slips won't be necessary -- another green idea that may have been inspired by Al Gore or Barack Obama. And speaking of Obama, here is another twist of irony:

When IBM CEO Sam Palmisano advised the Obama transition team that \$30 billion in information-technology stimulus handouts Big Blue is angling for could create more than 900,000 new jobs, he didn't say they'd be created in India. Yet, apparently that's the case.
--- John Paczkowski, Digital Daily

DISCLAIMER: You may be thinking by the tone of this newsletter that I'm being unfair to IBM, so now it's probably a good idea to say a few words in their defense. IBM has customers that specify in their request for proposal that offshore and/or foreign workers on visas must be used. In these cases IBM has no choice but to comply or they will lose the contract to competitors like Tata or Infosys.

IBM is corralling some of their US employees into three work centers in the USA (New York, Iowa, Colorado) because there are customers that specify that no foreigners can be used. The workers that seem to stay American a lot are the Project Managers and above while some functions like purchasing have moved almost entirely to China, and server support to Brazil. Hey, at

least they are saving some American jobs, right?

IBM advertises to companies that they have a great team in India because it's a huge selling point for many corporate customers. The "Made in the USA" label continues to lose value in our globalized world, so expect the mix of IBM business to shift towards India and other foreign countries. Currently 71% of the Big Blue workforce is foreign, which raises another question -- when should an American born company stop being called "American"?

REFERENCES:

http://www.businessweek.com/globalbiz/blog/globespottting/archives/2009/03/ibms_global_men.html?campaign_id=rss_blog_globespottting
IBM's Global Mentoring Program

<http://online.wsj.com/article/SB123799610031239341.html#mod=testMod>
International Business Machines Corp. plans to lay off about 5,000 U.S. employees

<http://www.reuters.com/article/rbssTechMediaTelecomNews/idUSWEN647920090325>
IBM to cut 5,000 jobs in U.S

<http://digitaldaily.allthingsd.com/20090325/ibm-the-i-stands-for-india/>
IBM: The "I" Stands for "India"

<http://abclocal.go.com/wtvd/story?section=news/local&id=6728282>
IBM to face more layoffs?

NOTE: Don't miss the excellent video report from the abclocal website.

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http://www.businessweek.com/globalbiz/blog/globespottting/archives/2009/03/ibms_global_men.html?campaign_id=rss_blog_globespottting

IBM's Global Mentoring Program
Posted by: Steve Hamm on March 09

IBM has started up a new global mentoring program that I think is really smart. It links employees in emerging markets with those in developed nations. The program was tested in China, South Africa, and India, and this year is reaching Russia, Dubai, Malaysia, Brazil, Vietnam, and the Philippines.

It's starting to pay off. Example: Taiwanese software programmer David Lin paired with Danny Chen, an engineer who was born in Taiwan but works in Austin. Chen taught Lin how to develop ideas that were patentable, and Lin set up an invention team in his office and began publishing a newsletter full of tips for new inventors. Last year the Taipei lab got five patents, up from one in 2005. For his part, Chen got valuable advice from Lin on how to do business in China.

The biggest challenge for employees in long-distance mentoring is establishing close personal relationships via telephone and e-mail. Chen visits Lin about once a year when he's in Asia on business trips. "Meeting face-to-face helps a lot," says Chen. "Now we're not just learning from each other; we're friends."

This program is part of the company's strategy of creating what it calls a globally integrated enterprise. Multinationals used to operate separate businesses in each country or region. IBM now assigns work to employees all over the world, relying on widely scattered teams to collaborate. But tight collaboration doesn't happen on its own. You have to create experiential glue to bring and keep people together.

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<http://online.wsj.com/article/SB123799610031239341.html#mod=testMod>

International Business Machines Corp. plans to lay off about 5,000 U.S. employees, with many of the jobs being transferred to India, according to people familiar with the situation.

The technology giant has been steadily building its work force in India and other locations while reducing the number of workers based in the U.S. Foreign workers accounted for 71% of Big Blue's nearly 400,000 employees at the start of the year, up from about 65% in 2006.

The latest round of cuts target the company's global business-services unit, which does everything from running corporate data centers to managing human resources for ...

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<http://www.reuters.com/article/rbssTechMediaTelecomNews/idUSWEN647920090325>

IBM to cut 5,000 jobs in U.S.--sources

Wed Mar 25, 2009 3:27pm EDT

NEW YORK, March 25 (Reuters) - IBM (IBM.N: Quote, Profile, Research, Stock

Buzz) will cut around 5,000 jobs in the United States, mainly in its global services business, sources with knowledge of the matter told Reuters on Wednesday.

An International Business Machines Corp spokesman declined to comment.

The company has not disclosed how many jobs it has cut so far this year, but has said it was making "structural changes" to reduce spending and improve productivity. (Reporting by Ritsuko Ando and Jim Finkle; Editing by Gary Hill)

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<http://online.wsj.com/article/SB123120010817055565.html>

JANUARY 5, 2009, 7:30 P.M. ET IBM Chief: IT Investment Will Create Jobs
Article

Comments

more in Politics »By WILLIAM M. BULKELEY

International Business Machines Corp.'s chief executive, Samuel Palmisano, advised the Obama transition team last month that \$30 billion in government investments in expanding broadband access, computerizing health-care records and improving the electrical grid could create more than 900,000 U.S. jobs.

The IBM presentation came in response to a November request from the Obama advisers for an analysis of the job-creation impact of information-technology investments. IBM said that Mr. Palmisano made the presentation in a conference call with transition team members including Carol Browner, who has been named the White House coordinator of energy and climate policy, and Julius Genachowski, a top technology adviser for the president-elect.

It's unclear how much of the advice, if any, will be incorporated into a two-year stimulus plan that the Obama team and lawmakers are working on. Elements of the plan will include some traditional infrastructure spending and tax relief, Obama aides said over the weekend.

Chris Caine, IBM's vice president for governmental programs, said that after the election, the Obama's transition team asked IBM to provide analysis of whether investing in IT infrastructure could help stimulate job creation. "There are lots of econometrics on the number of jobs from traditional infrastructure investments," Mr. Caine said. "There aren't any metrics for these kinds of calculations" regarding IT.

Companies have traditionally regarded information technology investments as a way to reduce jobs and increase productivity -- not to create employment, which is a key goal of the stimulus plan.

Mr. Palmisano's presentation was followed by a roundtable discussion with other CEO's on the conference call, an IBM spokesman said. During that discussion other ideas including tax issues were also discussed.

IBM worked with the Information Technology and Innovation Foundation, a Washington think tank, to analyze job-creation possibilities in three areas: broadband, health-care IT and "smart grid" technologies for making electric power more efficient.

According to its research, investing \$10 billion in broadband networks to provide high-speed Internet access to areas that lack it, would create 498,000 new jobs in a year. Investing \$10 billion in computerizing health-care records and other health-related IT would create 212,000 jobs. The government investment would come on top of \$30 billion in public and private investment in health-care IT already slated for this year, IBM said.

IBM also calculated that \$10 billion invested in equipment that allows electric utilities to monitor their transmission infrastructure more closely would create 239,000 jobs. Such technology can tell operators when transformers are failing or wires are overloaded.

IBM has major operations in services and software that would be involved in both health-care IT and smart-grid infrastructure. It doesn't make telecommunications equipment used in broadband systems.

Mr. Palmisano said in his presentation that more than half the projected jobs would come from small businesses. Much of the projected jobs growth in the calculations comes from so-called "network effects." For example, more than half the jobs growth from the broadband investment reflects projected increased economic activity from the creation of new services the investments would make possible.

Asked what steps the Obama administration could take without requiring congressional action, Mr. Palmisano suggested an executive order mandating that the government convert all its data center to be "green" data centers, optimized for energy efficiency, within three years. IBM, Hewlett Packard Co., EMC Corp and Dell Inc. among other hardware providers, have all built major businesses helping customers make their data centers more energy efficient.

Write to William M. Bulkeley at bill.bulkeley@wsj.com

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<http://digitaldaily.allthingsd.com/20090325/ibm-the-i-stands-for-india/>

IBM: The "I" Stands for "India" [UPDATED]

Published on March 25, 2009

by John Paczkowski

When IBM CEO Sam Palmisano advised the Obama transition team that \$30 billion in information-technology stimulus handouts Big Blue is angling for could create more than 900,000 new jobs, he didn't say they'd be created in India. Yet, apparently that's the case. IBM (IBM) is reportedly planning to sack "a large number" of employees in its Global Business Services division, shifting their duties overseas to workers in India. The breadth of the reduction isn't yet known, but chatter on the Alliance@IBM boards suggests it could be brutal. Said one commenter, "I talked to two different Band 10s in IBM Global Business Services yesterday who have both said that tomorrow will be a big day for firing in almost all of the GBS business units. Both of them are expecting that they will be cut because the percentages are going to be higher at the higher levels. Both made reference to this could be called a black Thursday."

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<http://abclocal.go.com/wtvd/story?section=news/local&id=6728282>

IBM to face more layoffs? Wednesday, March 25, 2009 | 8:29 PM By Sabrina Zimring DURHAM (WTVD) -- IBM employees in RTP could be on the brink of another round of layoffs.

Hundreds of IBM employees in RTP have received written notices about a 15 minute meeting to take place Thursday.

According to Lee Conrad the national coordinator with Alliance at IBM --the union that represents employees-- the company is not telling them what the meeting is about.

All of this follows a Wall Street Journal report on Wednesday that says IBM plans to lay off a large number of U.S. employees in its global-businesses service unit.

Story continues below Advertisement Nationally, IBM plans to lay off about 5,000 employees in the services division, that's about 4 percent of IBM's

U.S. based work force.

It's unclear which locations face layoffs, but it could be devastating in the triangle where IBM employs more than 11,000 workers.

The Wall Street Journal's report indicates that many of those jobs could be transferred to IBM employees in India.

Conrad says it's been several months since IBM has hired significantly in the U.S. and Canada. Most of the new IBM job postings are locations like India, China, the Asian Pacific and Latin America.

"It's shocking, it's abrupt every U.S. citizen should condemn IBM, for shipping American jobs overseas," Conrad said.

IBM employees have already labeled tomorrow as "Black Thursday" --anticipating what will come out of the meetings.

Newsletter Homepage:

<http://www.JobDestruction.com/shameh1b/JobDestructionNews.htm>

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