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Thursday, February 7, 2002

IBM makes 3rd job cut since November

Local workers among 100 axed

By Craig Wolf
Poughkeepsie Journal

IBM Corp. calls it "resource actions." Some employees call it "stealth layoffs." Another one came Wednesday, with 100 people given notices in the Server Group, about a third of them at the Poughkeepsie site.

"It's really to provide some efficiencies in how we manufacture, to eliminate some redundancies," said Steve Cole, a spokesman for mid-Hudson IBM sites.

Wednesday's notices went to people who work in manufacturing lines and those who support them, Cole said. The severance package is two weeks of pay for each year of service up to 26. There is a transitional medical benefit, and career counseling and training aid.

IBM has been doing small job cuts lately, including one in the Microelectronics Division Nov. 28, dropping 217 jobs in East Fishkill. That was part of a nationwide cut of 1,200 employees.

On Jan. 29, IBM Global Services made widespread cuts, but the number hasn't been made public. Some were in Poughkeepsie, fewer than in Wednesday's action, Cole said.

According to the Alliance@IBM, a Communications Workers of America pro-union organization, about 470 were laid off nationally in Global Services.

Labor drain

The company has reported it took \$1 billion in costs out of the business last year as revenue declined and plans to do it again this year. Much of it is labor cost.



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"IBM isn't making their numbers and they're downsizing people, and they're trying to do it as quietly as possible," said Will Zachmann, president of Canopus Research in Duxbury, Mass.

"I think they're going to continue doing this at least through the first quarter," said Lee Conrad at the Alliance@IBM in Endicott, Broome County.

Said Cole: "We have to take a look at how the industry continues to change and how we respond to it. We will continue to take these actions as required to remain competitive in the marketplace."

Conrad said IBM's approach is flawed. "The kind of ages we're seeing, the kind of skills -- a lot of this doesn't wash," he said. "IBM needs to really consider how they're cutting people and how it's hurting the company."

IBM has long denied accusations that its layoffs hit older workers too heavily. It says layoffs follow skills, meaning certain specialties are needed less.

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