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Making ‘Dinobabies’ Extinct: IBM’s Push for a Younger Work Force

Documents released in an age-discrimination case appear to show high-level discussion about paring the ranks of older employees.



By Noam Scheiber | Feb. 12, 2022



*Edvin Ruis, a plaintiff in a lawsuit against IBM, applied for five internal positions after learning that he was about to be laid off but heard nothing in response to any of his applications.
Credit...Jenna Schoenefeld for The New York Times*

In recent years, former IBM employees have accused the company of age discrimination in a variety of legal filings and press accounts, arguing that IBM sought to replace thousands of older workers with younger ones to keep pace with corporate rivals.

Now it appears that top IBM executives were directly involved in discussions about the need to reduce the portion of older employees at the company, sometimes disparaging them with terms of art like “dinobabies.”

A trove of previously sealed documents made public by a Federal District Court on Friday show executives discussing plans to phase out older employees and bemoaning the company's relatively low percentage of millennials.

The documents, which emerged from a lawsuit contending that IBM engaged in a yearslong effort to shift the age composition of its work force, appear to provide the first public piece of direct evidence about the role of the company's leadership in the effort.

"These filings reveal that top IBM executives were explicitly plotting with one another to oust older workers from IBM's work force in order to make room for millennial employees," said Shannon Liss-Riordan, a lawyer for the plaintiff in the case.

Ms. Liss-Riordan represents hundreds of former IBM employees in similar claims. She is seeking class-action status for some of the claims, though courts have yet to certify the class.

Adam Pratt, an IBM spokesman, defended the company's employment practices. "IBM never engaged in systemic age discrimination," he said. "Employees were separated because of shifts in business conditions and demand for certain skills, not because of their age."

Mr. Pratt said that IBM hired more than 10,000 people over 50 in the United States from 2010 to 2020, and that the median age of IBM's U.S. work force was the same in each of those years: 48. The company would not disclose how many U.S. workers it had during that period.

A [2018 article](#) by the nonprofit investigative website ProPublica documented the company's apparent strategy of replacing older workers with younger ones and argued that it followed from the determination of Ginni Rometty, then IBM's chief executive, to seize market share in such cutting-edge fields as cloud services, big data analytics, mobile, security and social media. According to the ProPublica article, based in part on internal planning documents, IBM believed that it needed a larger proportion of younger workers to gain traction in these areas.

In 2020, the Equal Employment Opportunity Commission released a summary of an investigation into these practices at IBM, which found that there was "top-down messaging from IBM's highest ranks directing managers to engage in an aggressive approach to significantly reduce the head count of older workers." But the agency did not publicly release evidence supporting its claims.

The newly unsealed documents — which quote from internal company emails, and which were filed in a "statement of material facts" in the lawsuit brought by Ms. Liss-Riordan — appear to affirm those conclusions and show top IBM executives specifically emphasizing the need to thin the ranks of older workers and hire more younger ones.

"We discussed the fact that our millennial population trails competitors," says one email from a top executive at the time. "The data below is very sensitive — not to be shared — but wanted to make sure you have it. You will see that while Accenture is 72% millennial we are

at 42% with a wide range and many units falling well below that average. Speaks to the need to hire early professionals.”

“Early professionals” was the company’s term for a role that required little prior experience.

Another email by a top executive, appearing to refer to older workers, mentions a plan to “accelerate change by inviting the ‘dinobabies’ (new species) to leave” and make them an “extinct species.”

A third email refers to IBM’s “dated maternal workforce,” an apparent allusion to older women, and says: “This is what must change. They really don’t understand social or engagement. Not digital natives. A real threat for us.”

Mr. Pratt, the spokesman, said that some of the language in the emails “is not consistent with the respect IBM has for its employees” and “does not reflect company practices or policies.” The statement of material facts redacts the names of the emails’ authors but indicates that they left the company in 2020.

Both earlier legal filings and the newly unsealed documents contend that IBM sought to hire about 25,000 workers who typically had little experience during the 2010s. At the same time, “a comparable number of older, non-Millennial workers needed to be let go,” concluded a passage in one of the newly unsealed documents, a ruling in a private arbitration initiated by a former IBM employee.

Similarly, the E.E.O.C.’s letter summarizing its investigation of IBM found that older workers made up over 85 percent of the group whom the company viewed as candidates for layoffs, though the agency did not specify what it considered “older.”

The newly unsealed documents suggest that IBM sought to carry out its strategy in a variety of ways, including a policy that no “early professional hire” can be included in a mass layoff in the employee’s first 12 months at the company. “We are not making the progress we need to make demographically, and we are squandering our investment in talent acquisition and training,” an internal email states.

The lawsuit also argues that IBM sought to eliminate older workers by requiring them to move to a different part of the country to keep their jobs, assuming that most would decline to move. One internal email stated that the “typical relo accept rate is 8-10%,” while another said that the company would need to find work for those who accepted, suggesting that there was not a business rationale for asking employees to relocate.

And while IBM employees designated for layoffs were officially allowed to apply for open jobs within the company, other evidence included in the new disclosure suggests that the company discouraged managers from actually hiring them. For example, according to the statement of material facts, managers had to request approval from corporate headquarters if they wanted to move ahead with a hire.

Several of the plaintiffs in a separate lawsuit brought by Ms. Liss-Riordan appeared to have been on the receiving end of these practices. One of them, Edvin Ruisis, joined IBM in 2003 and had worked as a “solution manager.” He was informed by the company in March 2018 that he would be laid off within a few months. According to his legal complaint, Mr. Ruisis applied for five internal positions after learning of his forthcoming layoff but heard nothing in response to any of his applications.



Previously sealed documents show IBM executives bemoaning the company's relatively low percentage of millennials. Credit...David Paul Morris/Bloomberg

Mr. Pratt, the spokesman, said that the company’s efforts to shield recent hires from layoffs, as well as its approach to relocating workers, were blind to age, and that many workers designated for layoffs did secure new jobs with IBM.

The ProPublica story from 2018 identified employees in similar situations, and others who were asked to relocate out of state and decided to leave the company instead.

The company has faced other age discrimination claims, including a lawsuit filed in federal court in which plaintiffs accused the company of laying off large numbers of baby boomers because they were “less innovative and generally out of touch with IBM’s brand, customers and objectives.” The case was settled in 2017, according to ProPublica.

In 2004, the company [agreed to pay more than \\$300 million](#) to settle with employees who argued that its decision in the 1990s to replace its traditional pension plan with a plan that included some features of a 401(k) constituted age discrimination.

The federal Age Discrimination in Employment Act prohibits discrimination against people 40 or over in hiring and employment on the basis of their age, with limited exceptions.

The act also requires companies to disclose the age and positions of all people within a group or department being laid off, as well as those being kept on, before a worker waives the right to sue for age discrimination. Companies typically require such waivers before granting workers' severance packages.

But IBM stopped asking workers who received severance packages to waive their right to sue beginning in 2014, which allowed it to cease providing information about the age and positions of workers affected by a mass layoff.

Instead, IBM required workers receiving a severance package to bring any discrimination claims individually in arbitration — a private justice system [often preferred](#) by corporations and other powerful defendants. Mr. Pratt said the change was made to better protect workers' privacy.

While some former employees preserved their ability to sue IBM in court by declining the severance package, many former employees accepted the package, requiring them to bring claims in arbitration. Ms. Liss-Riordan, who is running for attorney general of Massachusetts, represents employees in both situations.

The particular legal matter that prompted the release of the documents in federal court was a motion by one of the plaintiffs whose late husband had signed an agreement requiring arbitration, and whose arbitration proceeding IBM then sought to block.

IBM argued that the plaintiff sought to pursue the claim in arbitration after the window for doing so had passed, and that some of the evidence the plaintiff sought to introduce was confidential under the arbitration agreement. The plaintiff argued that those provisions of the arbitration agreement were unenforceable.

The judge in the case, Lewis J. Liman, has yet to rule on the merits of that argument. But in January, Judge Liman ruled that documents in the case, including the statement of material facts, should be available to the public.

IBM asked a federal appellate court to stay Judge Liman's disclosure decision, but a three-judge panel of the U.S. Court of Appeals for the Second Circuit rejected the company's argument, and the full circuit court also declined to grant a stay. The New York Times filed an amicus brief to the circuit court arguing that the First Amendment applied to the documents in question.

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