

IBM, 3M and hospitals join job cutting drive in US

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International Business Machines announced Wednesday it would eliminate 3,900 positions, or 1.5 percent of its global workforce, joining the growing list of corporations announcing major job cuts. According to the website layoffs.fyi, some 200 companies in the tech sector alone have announced 59,448 job cuts since the beginning of 2023.

The announcement by the 110-year-old multinational, nicknamed “Big Blue,” came after a sharp fall in the company’s share price Wednesday despite having reported a net income of \$3.3 billion for 2022, beating Wall Street expectations. Chief Financial Officer James Kavanaugh said the company, which reduced its global workforce by 22,000 between December 2021 and December 2022, would restrict hiring to “higher-growth areas.”

The new cuts focus on those workers who remain on the IBM payroll after the spinoff of the company’s Kyndryl technology infrastructure and Watson Health units. The latter unit used artificial intelligence to streamline decisions on medical treatments and established lucrative partnerships with leading cancer institutions, including Memorial Sloan Kettering in New York City and the Cleveland Clinic. The ventures failed, however, and in 2022 IBM sold off Watson Health, which was described in a 2016 *Fortune* article as a “cautionary tale of hubris and hype.”

The IBM job cuts followed the announcement by Minnesota-based 3M that it was cutting 2,500 manufacturing jobs worldwide in response to a sharp decline in demand for its products. CEO Mike Roman called it a “necessary decision to align with adjusted production volumes” following a “slower-than-expected” end to the year and a bleak outlook for 2023, according to the *Minneapolis Star-Tribune*.

As a result of the abandonment of any mitigation measures against the ongoing spread of COVID-19, the company’s sales of disposable respirators are expected to fall to pre-pandemic levels this year, with an estimated loss of half a billion dollars in revenue.

Roman said other factors had pushed down sales, including “the company’s exit from Russia, the slow

rebound from China’s COVID-19 lockdown; ‘aggressive’ inventory reductions by retailers; strained hospital budgets and health care labor shortages; and weak demand from industrial customers,” the *Star-Tribune* reported.

The company, which manufactures components for consumer electronics, has also been hit by the fall in demand for smartphones, TVs and tablets, and a continued shift from liquid crystal display (LCD) to organic light-emitting diode (OLED) screens.

The tech sector, which eliminated 153,000 jobs in 2022, is still spearheading the jobs massacre in the new year. In addition to previously announced job cuts by Amazon (18,000), Google parent Alphabet (12,000), Facebook parent Meta (11,000), Microsoft (10,000), Salesforce (7,000) and Cloud Software Group (2,000), music streaming company Spotify announced Monday that it would cut 6 percent of its global workforce this year, leading to approximately 600 layoffs.

The long-standing speculative bubble that drove share values of Big Tech—and the personal fortunes of their billionaire owners—to astronomical levels, largely ended last year as the US Federal Reserve raised interest rates in a deliberate effort to drive up unemployment and beat back the demands of workers for pay raises needed to keep up with inflation.

In an unusually blunt article, *Market Watch* wrote that the mass layoffs have fundamentally transformed relations between corporate management and workers in the tech industry. “It is an employer’s market after years of employees having the benefit of working from home [and] more jobs with higher pay and perks,” laid off tech worker Angela Bateman told *Market Watch*. “Employers are reasserting their dominance—Disney, Google, Meta, Apple, Snap [are] asking workers to be on site three or four days a week.”

“The Great Resignation, in which tech workers jumped from one high-paying job to another, has turned into the Great Recommitment,” *Market Watch* continued, quoting a comment by the former CEO of Cisco Systems, John

Chambers. Eric Schiffer, CEO of private equity firm Patriarch, said tech companies are involved in the “Muskification” of work staffs and “rethinking human-capital deployment,” referring to Elon Musk’s job-cutting spree since buying Twitter in October. “We are in a cycle of contraction after years of overstaffing,” Schiffer said, adding, “There is a lot more pain to come.”

The Fed’s policy of driving the US economy into a recession to fight workers’ wage demands is spreading to every sector of the working class. After announcing the indefinite layoff of 1,350 workers at its Belvidere, Illinois, assembly plant, carmaker Stellantis is moving ahead with further job cuts.

“Stellantis is indefinitely laying off close to 100 employees from their Dundee (Michigan) engine plant in the next couple months,” a worker informed the *World Socialist Web Site* this week. “They brought a new plant manager in and instead of sticking with the plan to temporarily lay off employees until their new line is running in 2024, they’re opting to indefinitely lay off up to 100 full-time employees and terminate 45 supplemental employees. I’m an employee at the Dundee engine plant and most likely one of the employees soon to be let go. With the Belvidere layoffs, most of these people will likely be out of a job permanently.”

The *Wall Street Journal* reported that “Employers are shedding temporary workers at a fast rate, a sign that broader job losses could be on the horizon.” In the last five months of 2022, the newspaper reported, “employers cut 110,800 temp workers, including 35,000 in December, the largest monthly drop since early 2021. Many economists view the sector as an early indicator of future labor market shifts.

“Temporary employment declined before some recent recessions and during economic slowdowns. Temporary workers, typically employed through staffing agencies, are easy for companies to bring on board—and let go.”

Particularly devastating is a new wave of layoffs in the health care industry, which will only worsen the conditions for nurses and other health care workers who have long faced dangerous levels of understaffing and now confront rising COVID-19 infections joined by other respiratory diseases.

Memorial Sloan Kettering Cancer Center is laying off 337 employees “to reduce costs amid widespread hospital financial challenges,” according to a US Department of Labor filing cited by the website *Becker’s Hospital Review*. The layoffs are spread across 14 sites in New York City and “span multiple departments and levels,” a spokesperson for the prominent cancer treatment center in New York City told *Becker’s*. Workers were informed of their termination on January 17, according to the filing.

Tufts Medicine is cutting 240 positions as part of a plan to save \$22 million annually through workforce reductions, according to the *Boston Globe*. “Like many health systems in the Commonwealth and across the country, Tufts Medicine has experienced significant financial challenges due to post pandemic capacity constraints, reliance on higher cost contract labor, especially in nursing, and delays in discharging patients for post-acute care,” said a statement from Tufts to *Becker’s*. “While we have diligently implemented cost-controlling measures across the system, we must now make the incredibly difficult decision to reduce our workforce,” the hospital continued.

Becker’s also reported recently announced job cuts at: **St. Vincent Charity Medical Center** in Cleveland (978); Chillicothe, Ohio-based **Adena Health System** (69); **Ascension St. Vincent’s Riverside** in Jacksonville, Florida (68); Visalia, California-based **Kaweah Health** (94); Oklahoma City-based **Integrus Health** (200); Toledo, Ohio-based **ProMedica** (262); Las Vegas-based **Desert Springs Hospital Medical Center** (970); **Pikeville Medical Center** in Kentucky (112); **Southern Illinois Healthcare** (76); Traverse City, Michigan-based **Munson Health** (31); West Reading, Pennsylvania-based **Tower Health** (52); Fayetteville, North Carolina-based **Cape Fear Valley Health** (200); Sioux Falls, South Dakota-based **Sanford Health** (undisclosed), Cleveland-based **University Hospitals** (443); **Ascension St. Vincent Dunn** in Bedford, Indiana (133).

Such cuts only demonstrate the incompatibility of social needs with the capitalist profit system. The continuing jobs massacre, along with the continued impact of inflation, is driving millions of workers the world over into struggle. The fight to defend jobs and living standards requires the building of rank-and-file committees in the hospitals, factories and other workplaces, which must be connected to the fight for the socialist reorganization of the economy based on human need, not profit.



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