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## Southern California Edison IT workers 'beyond furious' over H-1B replacements

About 500 IT jobs are cut at utility through layoffs and voluntary departures

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Information technology workers at Southern California Edison (SCE) are being laid off and replaced by workers from India. Some employees are training their H-1B visa holding replacements, and many have already lost their jobs.

The employees are upset and say they can't understand how H-1B guest workers can be used to replace them.

The IT organization's "transition effort" is expected to result in about 400 layoffs, with "another 100 or so employees leaving voluntarily," SCE said in a statement. The "transition," which began in August, will be completed by the end of March, the company said.

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"They are bringing in people with a couple of years' experience to replace us and then we have to train them," said one longtime IT worker. "It's demoralizing and in a way I kind of felt betrayed by the company."





SCE, Southern California's largest utility, has confirmed the layoffs and the hiring of Infosys, based in Bangalore, and Tata Consultancy Services (TCS) in Mumbai. They are two of the largest users of H-1B visas.

The utility has a large IT department. In 2012, before any layoffs, it had about 1,800 employees, plus an additional 1,500 contract workers.

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*Computerworld* interviewed, separately, four affected SCE IT employees. They agreed to talk on the condition that their names not be used.

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The IT employees at SCE are "beyond furious," said a second IT worker.

The H-1B program "was supposed to be for projects and jobs that American workers could not fill," this worker said. "But we're doing our job. It's not like they are bringing in these guys for new positions that nobody can fill.

"Not one of these jobs being filled by India was a job that an Edison employee wasn't already performing," he said.

SCE said the transition to Infosys and Tata "will lead to enhancements that deliver faster and more efficient tools and applications for services that customers rely on. Through outsourcing, SCE's information technology organization will adopt a proven business strategy commonly and successfully used by top U.S. companies that SCE benchmarks against."

The employees say that some of SCE's U.S. workers have been training their replacements, either in person in SCE's IT offices or over Web sessions with workers in India. The IT workers say the Indian tech workers do not have the skill levels of the people they are replacing.

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The SCE outsourcing "is one more case, in a long line of them, of injustice where American workers are being replaced by H-1Bs," said Ron Hira, a public policy professor at Howard University, and a researcher on offshore outsourcing. "Adding to the injustice, American workers are being forced to do 'knowledge transfer,' an ugly euphemism for being forced to train their foreign replacements. Americans should be outraged that most of our politicians have sat idly by while outsourcing firms have hijacked the guest worker programs."

"The majority of the H-1B program is now being used to replace Americans and facilitate the offshoring of high wage jobs," Hira said.

SCE said Infosys and Tata were selected through a competitive process that began "with eight potential vendors, some of them United States-based.

"The decision made to contract with Infosys and TCS was made following vendor site visits, some in India, and in-depth reviews of prospective vendors' operations," the utility said.

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SCE employees said that since August, when the layoffs began, the composition of the IT workplace began to change. "I see a lot of Indian people walking the halls, and less Americans," said a third IT worker interviewed.

Employee observations of an increasing number of foreign workers in their workplace is backed up by U.S. Labor Department filings. Employers have to file wage data of foreign workers and their workplace location with federal authorities in a form called a Labor Condition Application (LCA). In Irwindale, California, where SCE runs a major part of its IT operations, the two offshore companies had as many as 180 LCAs, and in a random check of these applications, every address matched an SCE location.

Displaced IT workers have long protested and complained about the use of H-1B workers, but they are overshadowed by large tech companies that lead H-1B lobbying efforts in Washington. IT workers are also effectively silenced through severance agreements that include non-disparagement clauses and confidentiality provisions, as well as fears that public complaining may hurt re-employment prospects.

Replacing U.S. workers with H-1B workers violates the spirit if not the letter of the law. Hira pointed out that as a part of the application process to obtain H-1B approval from the Labor Department, an employer is required to attest to the following: "Working Conditions: The employer attests that H-1B, H-1B1 or E-3 foreign workers in the named occupation will not adversely affect the working conditions of workers similarly employed." This statement is in Form 9035CP of the LCA.



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Further, Hira noted that the Labor Department states, "The Immigration and Nationality Act (INA) requires that the hiring of a foreign worker will not adversely affect the wages and working conditions of U.S. workers comparably employed.

"The SCE case is clearly one where the hiring of the H-1B is adversely affecting the wages and working conditions of American workers," Hira said. "There isn't a clearer cut case of adverse impacts - the American worker is losing his job to an H-1B." Hira believes that the U.S. Secretary of Labor has the authority to investigate these cases.

The use of H-1B workers has other implications as well. They are mostly young, under 35 years of age, according to government data, and the SCE workers interviewed said many older workers were being laid off. H-1B workers are also overwhelmingly male. The IEEE has estimated that as many as 85% are males.

Although H-1B workers have to be paid prevailing wages, a data analysis of wages that Hira conducted found that H-1B workers cost employers less. The national median wage for an Infosys worker over a recent three-year period was \$60,000 per year and for Tata it was \$64,900, he said. These are figures that are lower than what appear in salary surveys, including *Computerworld's annual survey*. H-1B workers employed by offshore outsourcing companies are less likely to become permanent residents. Infosys sponsored only 2% of its workers for permanent U.S. residency over a three-year period and Tata, none, he said.

Northeast Utilities in Connecticut last year made a similar decision to SCE's and brought in foreign contractors on visas. More than 200 U.S. IT workers lost their jobs.

Some of the SCE employees say the outsourcing move is linked to a 2012 report that found fault with the IT management culture. The report, by a consulting firm's incident management team, followed a December 2011 shooting, where an employee fatally shot two IT managers and wounded two other workers before taking his own life. The gunman worked in the IT department.

The consultants interviewed IT workers who told them that some managers were "autocratic, authoritarian and draconian in their approach." Full-time employees complained of working excessive hours, including weekends and holidays. The report said that "these difficult and exhausting conditions are reportedly having adverse consequences on employees health, including increased stress and irritability."

Prior to the outsourcing agreements, the SCE employees said there were a series of layoffs, including managers.

SCE said it is helping affected employees with severance, and other benefits, including "job fairs and other possible opportunities with other organizations within SCE."

"SCE does not take this action lightly and it is assisting employees through this difficult period," the utility said.

But the third employee interviewed said it did not appear that the company was interested in keeping any of the IT workers targeted for layoffs, and they weren't being offered the chance to apply for other jobs. "They just want to get rid of us and clean house," said this IT worker, who now worries about keeping her home.

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*Senior Editor Patrick Thibodeau covers Internet of Things, enterprise applications, outsourcing, government IT policies, data centers and IT workforce issues for Computerworld.*

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