

The Breathing Factory



# Susan

Logistics Coordinator,  
Samuel Beckett Meeting Room,  
Hewlett Packard Ireland,  
23 October 2003

Present: S, O (representative  
from Government and Public  
Affairs Department) and MC

**MC: And can I ask you what are your duties, responsibilities, in your job at HP?**

S: Logistics Coordinator, Traffic Coordinator... I would be responsible for shipping all our pallets of FGI (Finished Goods Inventory)

**And when you say shipped, where are they shipped?**

S: We would... we ship them to four destinations... one in Singapore, one in the U.S. and two in Europe

**And can I ask, what is your previous work experience, where else have you worked?**

S: I have worked here for 7 years and while here, I am in my third job... role... so I am changing each time, gradually going where I want to go... prior to Hewlett-Packard... I was teaching sailing, canoeing and rock-climbing and all that kind of stuff

**Okay... that is quite a change... how come?**

S: Well I did my course for two years in college, as... to get instructorship on all of these outdoor activities and I worked for four years... and then I just thought, the weather is not great, the money wasn't too good either and it was very seasonal so I just thought, hey, I need to go and get myself a real job... so I started off... and when I came to Hewlett-Packard and I started off as an operator on the production floor

**And... what were the motivations, you'd say, for coming to HP?**

S: Well, I had heard a lot about Intel who had been in Ireland for so many years before Hewlett-Packard and it was just, I just thought it was a big industry... permanent, stable job... it was good feedback I'd been hearing, I had known a couple people at the time who had worked here and... I just thought to make the change from... what I was doing... I thought... yeah, I'll come into a big place where I know it's... it isn't going anywhere in the near future

**And what way do you think the IT industry has changed in the last decade?**

S: Okay... right... well, I don't really know... I just know that in here... what we do is we're making inkjet cartridges... and when I started here 7 years ago we were making A product, one type and now 7 years on, that product is no longer... it's obsolete... people don't want to buy it anymore, we no longer make it and we've gone on to making 15 other differ-

ent products that are now in demand and... gradually you can see that they're... falling down by the wayside and every single month or every six months we are bringing in a new product and... it's constantly, constantly changing... yeah

**It's a constant mode of change and development... and re-invention... as it were?**

S: Yeah, I think Hewlett-Packard, I think they have a huge team out there working on what are we going to do next... they don't even know what it is, but they know that the inkjet business is not going to be around forever... people are going to be wanting new, smaller, better things, quicker, brighter more colourful, you know... and they know it is not... going to be around forever and I think they put a lot of work and effort and time and money... into looking out into the future

**Okay, that is quite interesting and it ties in with this, how do you see this as having changed Ireland? Or how we view Ireland? The role of the IT industry?**

S: It's offering so many different jobs and higher... more... I, kind of, wouldn't have a very professional job in here but I can see that they're looking for, they'd often have posted up on the board and they're willing to give somebody... a hundred and fifty... no... one thousand five hundred pounds if they know somebody who is like... really technical person in... I don't know what the job titles are but they are pretty high qualified people in the various IT software industries... so there's people out there... companies battling to get these guys just out of college, you know... they want them to work here, they want them to work in Intel... and they are willing to pay good money to get these people... so there's a huge amount of jobs being created

**And so how do you think that has changed Ireland? The fact that these companies operate in Ireland, like HP**

S: I think people see Ireland as a place, as we've all noticed, every time you get on a bus or every time you walk down the street that there is a huge number of different nationalities, it's just different and Ireland is attracting people like the UK would have in the 80's, if people want to come and work here... you know

**And how do you think the role of work has changed in Ireland? how do you think work has changed in Ireland? The workplace has changed in Ireland, say in the last 15 years?**

S: When I was growing up... my mother or none of my mother's friends would have worked... it wasn't very common for women to go out and work whereas, I think, nowadays there's enough jobs out there and women are... in the workplace, equally, as men, probably got better jobs than men whereas 10 years ago that wouldn't have been the case

**Okay, okay... yeah, just regards to that change, how do you think working in**

**Ireland has changed since your mum and dad's generation to your generation?**

S: There's... there's a lot more jobs... I think... jobs in factories were very... manual, you know... to be a factory worker was a very manual job and the IT, what was a computer? I know, I... the first, I heard of a computer was in secondary school, you know... people, offices and schools didn't have PC's... in primary school, like, wouldn't never had PC's where as nowadays... every child in the country nearly has a PC and all homes have one... and, you know, children at the age of 4 when they go into school use PC's... which is something that didn't happen in my day, you know...

**And you've touched on already, that changing role for women? How do you think it has changed in Ireland? The fact that you are in a global company, in many ways, this is one of its global sites... so in terms of that, how do you think it has changed for women or has it?**

S: Yeah, yeah... well I think Hewlett-Packard as a company, encourages women... they, they like to have a certain percentage of women as engineers, as technicians... em... so just as an example, we have... my manager would have been an ex-engineer... so she's going down to colleges throughout the country and she's... em... selling Hewlett-Packard as a place to work to all these students that are just going to graduate, you know, and they're sending out a woman to that so that in itself is saying something for the women in the workplace, you know.

**Okay... you have touched on some of this already... how do you see the future of the IT industry in Ireland?**

S: I can see it constantly changing... but as a plant being stable 'cause there's always goin' be something else to come in and take over, take it's place... for production lines out there... they... they seem to always need less and less people to operate them there... every different production line we bring in, it has more capabilities within itself... whereas the first one, we probably needed 12 and now we only need 6 people to run it... so technology is constantly changing... machines and computers are doing more work all of the time... life, work is being made a hell of a lot easier... I think...

# Una

Director, Government and  
Public Affairs,  
Canteen, Hewlett-Packard,  
June 1st, 2004,  
Present: U and MC

**MC: Can I ask you, if you don't mind, to tell me a little more about the Government Affairs side?**

U: Yes, I will...Government Affairs is very much...*lobbying*, basically if we look at what the objective is, if we look at why HP came to Ireland in the first place...we came...low Corporation Tax, highly skilled workforce and, stable economy...national pay agreements, making sure...you don't have huge inflation, so my job is to really make sure, going forward that HP works in that same kind of a climate, so that I work with IBEC, with the American Chamber of Commerce, with ICT Ireland...groups like that and very directly also with the Department of Enterprise, Trade and Employment...so basically if we have got issues around whether it's R and D, whether it's tax and investments and that kind of stuff, these are the areas that we would lobby on...lobby at Brussels level...I actually report into Brussels and lobby at the local level as well

#### So also on an EU level as well?

U: So EU as well...actually a lot of the stuff, in fact, doing business in Ireland is actually relatively...I won't say relatively easy...but it's a very good environment in which to do business in, it's a very open economy...there is a real sense of 'Government of Can Do', of wanting to make you successful...and obviously we have 4,200 employees here in Ireland at the moment, 1,800 in the manufacturing side here...and we are growing that investment, we are growing it on the R and D side...up *the value chain*...and we are doing some collaborations with Science Foundation Ireland and Universities...that's the area I get involved in and basically it is to try and make sure that we protect the investment we have and that we grow it and the only way you can do that is making sure that the climate continues to be competitive and *Industry/Business - Friendly*...so that would take up the vast part of the job I do.

**And is that difficult? At the moment, there is...I was just reading in *the Financial Times* around ideas, for instance, even ideas around an EU-wide Corporate Tax level, these sort of things...inspired from France and Germany?**

U: It's a big issue...yeah it's an issue...well having said that...it's an issue for *Ireland Inc.* it's not an issue for HP because Ireland are saying we are going to hold this...over our dead bodies...certainly this Government would hold it, I think it would be a big problem and I will tell you why...this Inkjet Manufacturing site we have here in Ireland is one of three worldwide...the other two are in Puerto Rico and Singapore...they have *no Corporation Tax*...therefore, you are already starting with a handicap...you might think 10% going up to 12 and a half percent, the lowest in Europe but it is not the lowest in the World...and they also have very smart people...therefore, if we won't do business in that kind of a...world economy...Ireland is a small country...you still have the logistics of getting the product from here into the European...or Worldwide distribution from an island so therefore you've already got infrastructural costs, you've also,

would also have...salary costs, wage costs would be higher here than Puerto Rico or Singapore...having said that we do business very well here and we are very successful here...the people and the calibre of people would be extremely high...em...and we would have no problem continuing to do business here...and as I said grow that business in various ways but obviously if you put handicaps and blockages to that...and that would be the biggest one...Corporation Tax would be a particularly...eh...big one...but as I say...the Department of Enterprise, Trade and Employment and in fairness both Charlie McGreevy (then Minister of Finance) and Mary Harney (present Tanaiste), would all be in favour and the Taoiseach (Irish Prime Minister), in keeping that low rate of Corporate Tax...so...from that perspective it's pushing an open door, but, of course, when we have all this kind of talk in Europe, our U.S., we are a U.S. company...they see that...so they see the wider picture...and they kinda' say, well, is this a real threat?

**Then can I ask, in the context of all that, is the whole...you read Government reports...the whole move towards R and D and this idea of Specialisation to ensure longevity...so here we are in the context of a manufacturing plant...how does that sit? How does that fit?**

U: It fits very well...basically what happened here...is basically...a typical example of a manufacturing site anyway...first of all the manufacturing...you'd know a bit about this as you've seen it...the manufacturing site here is very *high-tech*, so we have a huge number of engineers here...what we have done here is we've sent the low-end manufacturing, so the first product lines that came in here are now down with contract manufacturers in Galway and Waterford and what we did was, we took the *Low-End technology*...that became routine...we took it to contract manufacturers and the High-End IP end, International Property end comes back in here so we now, now we have got worldwide responsibility for the new product line that is coming out...

...and we also do a huge amount of product technology, eh, development here... and we are going to the next level again and looking at this site as being that...because it is the only European site taking a lot of that R and D work and that technology development is coming on site.

**On this site as well? So it co-exists, (U: Yes it is actually happening), so can I ask as well, in the context of an expansionist Europe...and new accession countries...I am sure you have come across this question**

U: Yeah, it is not an issue for us now ... really it isn't...this *install* base here is huge, the amount of investment in this country here is huge, we're very happy with what where we are doing it at the moment...importantly too and I wouldn't underestimate it...okay you're right, people in the other, in the East European countries and I think probably more China rather than actually East European...I'd see

more threats coming from there...there are certainly are threats but we would see as being, good for...where Ireland was 20 years ago...China maybe even further... now they are closing the gap but the first thing we do have here are the huge advantages...we are English-speaking, we work for an American Multinational Company which is predominantly English-speaking...em, therefore we would have a '24 hour, 7 day a week, 365' day...you'd often find some of our engineers would pick up the phone to somebody in Singapore about an issue ... rather than wake up somebody or an operator or technician rather than wake up somebody who is in bed at 4 o'clock when they can get them...it's a global company, English-speaking is important...also...we spend a lot of, a lot of...money on developing our people, they are bright people...they are smart people ... they're young...technically very qualified workforce...so we actually don't see a threat ... I am not saying in 10 years time it won't be threat but I think in 10 years time you'll probably see a very different HP in Ireland

**Okay, so it is a process of evolving**

U: Yes it's evolving and keeping ahead, I think that's going to be true of all manufacturing sites and not even manufacturing sites but of anybody, even service providers, because in a global world, with a global economy, you can do all your support from the other side of the world, it doesn't make any difference

**And your R and D in India? And stuff like that?**

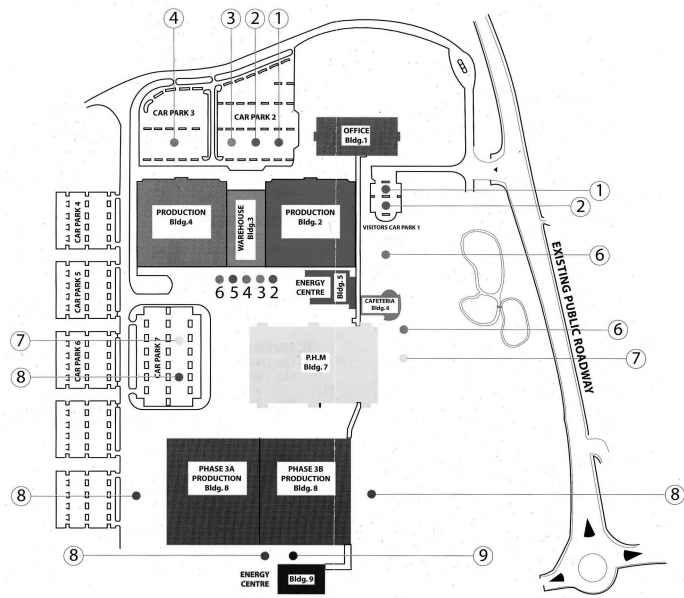
U: We do, we have labs in India, we do, and you know, they do very well...but we're big, we have a lot of products, a lot of areas...inkjet is one small part of it but it happens to be lucky for Ireland the part that is in Ireland... and to actually move that and trans, that technology transfer would be huge and we have bedded down so many of the processes here now that we're...would feel ourselves to be very substantial leaders in the inkjet technology world for HP

**As part of that local/global landscape?**

U: Yes it is, it is...that's right

**M: Well I was going to say, you will read literature that will use terms like *post-industrial landscape* and other ideas including that...the South of Ireland never experienced the Industrial Revolution, (UH: Yeah, no we didn't, no), so this is such a ... we are now officially the *most globalised economy in the world*...it is ...**

U: Yes but as well as that, when that happens, the people and because, their age group is, actually shows this to a large extent as well, it's synonymous with it...because they didn't come with baggage, they didn't come with *trade union* background...I'm not anti-union... but they didn't come with *this is the way it's always been done*, they came with *I've never done this before...but couldn't we do it this way*... you know and they are kind of looking for new ways of doing it and...empowering ...



if you have too many rules and regulations and you have a lot of people, people will follow the rules and regulations because, quite frankly, I've always said...you work to your manager...your manager is your boss...if your manager manages you well, that's it, doesn't matter what HP says...if your boss is actually going to be, do it my way... that is your experience of HP but if your manager is trained and, we spend a lot of time training managers to make sure that they get the best out of people, by allowing them to be flexible, adaptable and, resourceful, I think that, that is the difference...but I think it would probably, it probably is... and I think probably HP came to Ireland at a very good time...or even a few years before that because I'd say Intel would tell you the same thing...and they would have been here a few years earlier...came at a very good time when you had very young graduates who didn't have any bad habits...and...were able to actually bring their enthusiasm, their flexibility and really *devour* it...I kind of...you know, there was a *wow factor* for them too...

## Ger

Health and Safety Inspector,  
Beckett Meeting Room, Building 1,  
Hewlett-Packard Ireland,  
9 October 2003  
Present: G, O (representative  
from Government and Public Affairs  
Department HP) and MC

### MC: And how long have you been working at Hewlett-Packard?

G: I have worked in Hewlett-Packard for 4 years in total, 3 years of that was as a *contractor*, so, as the lads would say, I've sort of *gone over to the Dark Side*...I've the experience of the contractors but now I'm working for Hewlett-Packard, basically making sure the contractors are carrying out their work so sort of like *Poacher turned Gamekeeper*... type of position

### So there's both full-time and contract work happening at the same time?

G: There are full-time HP employees within the Warehouse, there's probably about 50 or so contract people and, very small, maybe 12 to 15 HP employees overseeing that contract as such... em

### How do you think the IT industry has changed Ireland?

G: It has, obviously, brought a huge amount of work, first of all, but I think it's also brought a lot of *American-style thinking*, in particular, in regards to business and you only see that when you are actually working in the industry... the Americanisms... the terminology that they use for business and it's not... *they don't consider anything just a job, it's a career*... so they encourage you to go forward and develop your-

self, it's the first place I've discovered that sort of thing, now, as I say in other warehouses I worked in, you would have to push for yourself to go do these things whereas it's the opposite way around, they encourage *you* to develop, so I think in that way it's given the Irish employer market a very, very well-trained and capable, that's why you still see a lot of companies coming here and they say because they are the best trained people in the world, I think the biggest way it has improved it, is for the better, unfortunately, I think it is going through a slump at the moment so, obviously the bubble had to burst at some time but I think, most of the big companies won't suffer... too greatly

### Okay, do you think the changes have shaped or influenced the way people in Ireland view this country and how outsiders think about contemporary Ireland?

G: I think the traditional Irish person, obviously, likes the beer, the bit of craic, that's never going to change, I think it's true, we work hard, we play hard and I think, any Irish person will put 100% into whatever job they doing but they'll also put 100% into enjoying themselves so I don't think... there's been, I think we've always been the, I suppose, the sort of words you'd really put on it... as regards Europe, anything like that, we've always been the little person... not referring to *Leprechauns*... but we've always been the smaller nation... *ah, yeah they're alright, they're over there* but I think through, not only industry...through sport, through everything, the world has suddenly realised it's a small country but, jaysus they've some amount of people there that they can offer such an amount of, and I think it's proven by the amount of American companies... now I know, I mean, obviously, the likes of the IDA have a huge input into that, I mean taxation grants and all of that, grand but it's the people, *ultimately*, that will keep the employers here... so I don't know, I think, as I say, the... the impression outside of Ireland will always be *great craic*... but they're some workers as well

### And in your own areas of work, Ger, what do you see as changes in the future, in your work practices? Is there anything that you see that might change in the way we work or...?

G: I don't know, that's a tough one to answer... I think there will always be changes, of course and I think one of the biggest drivers... in this economy is going to be *cost-driven*... there is going to be cost-driven but one of the other things aside that, is the likes of safety legislation which will prevent costs being a major factor but I think you're going to see a lot more changes to... *looking at how much it's actually going to cost to do this rather than just do it*... and I think really... and you can see that in a lot of places that... I mean, some, some of the strategies that we have would be cost reduction for the year... and they go look at this and see what they can do... I think it

is... a lot of things are going to be cost-driven... we are an expensive country to live in... there are, the services are expensive... so I think that is going to be one of the biggest changes and things will always change... things are always going of change... whether they change drastically or not? I don't know... I don't know

## Rui

Production Supervisor,  
Brendan Behan Meeting Room,  
Hewlett Packard Ireland,  
9 October 2003  
Present: R, O (representative  
from Government and Public Affairs  
Department HP) and MC

R: I was born in Portugal in 1959 and I came to Ireland in 1984, in January 1984... so I have been in Ireland now nearly 20 years now. It has been a great experience, eh, throughout this 20 years... when I came to Ireland first, the job situation was very precarious... but eh... I was able to get into the company Packard Electric at the time and... eh

### MC: And what was the nature of that?

So the nature of the job was we assembled the looms for the Opel cars... the electric harnesses and was very labour intensive, em, so going back 20 years ago, so the industry in Ireland would be very labour intensive and I suppose in the last few years when we started to attract the IT companies... and the, eh, you know, computer industries... you know we have seen a shift more to machine operating

### And what was your role at that time in, in Packard Electric?

So, I started as an operator and I got then a promotion two years on... eh, as a supervisor and I have been a supervisor since

### And that is your present role here at HP?

That is my present role in HP, so I came into HP as a production supervisor, so, I have gone through a few different companies and I have noticed that companies that have labour intensive activities... eh... tend to disappear because of our high rate of wage compared to, you know, eastern countries, namely, India, China, Malaysia, you know wherever

### Would this also include Eastern Europe? Is that also a factor these days or is it further, farther a field?

I think, em, from my experience it is further a field... one of the reasons that my first job closed was, em, you know we started a plant in India where people got £33 pounds a month which was very low, low wage... you know in Ireland we were on nearly £200 a week... so that was a big difference... so we see... I have

noticed... Ireland has devoted a lot of effort into educating our young generation and that is how we are doing so well... I this type of industry that we have here at the moment... you know, our level of knowledge and development technology

**And how long have you been here at HP?**  
I am here 3 and a half years

**Why do you think Ireland has been so successful? Why do you think Ireland has been leading to this amount of people moving here?**

Well, okay, I don't know if I am right in saying this... but I think, in my opinion, because, eh, Ireland has such close ties with the States and most of the... IT companies in... in Ireland are American... so I think that's... that plays a part... also they were going to have to be somewhere, so, to be in Europe... you know, Ireland... so Ireland would be, you know... a way for them, for any company to be within Europe because of all of these European... you know, the world trade agreements and all that... so... eh also I think as far as I know the Corporate Taxes... you know, they've... Ireland gave great concessions to international companies... so I think that's...

**On a personal level, do you see yourself staying in Ireland? I know you have been here 20 years...em...do you see yourself remaining in Ireland?**

Oh, I probably die in Ireland (*laughter*)... yeah...no, my daughters are Irish and, you know, I like Ireland... so... I would prefer the Portugese weather, you know, but you can't have everything, you know but I like it here... Ireland has been good to me... I don't think I would have had the standard of living in Portugal that I have in Ireland and, eh, I find the people nice too, you know... I feel myself an Irishman... you know, I don't see myself as a foreign person, you know... so...

## Lionel

Vice-President and General Manager of Hewlett-Packard Ireland, Meeting Room, Building 7, 21 January 2005  
Present: L, U (Director, Government and Public Affairs, HP Ireland) and MC

**MC: So you started working for Hewlett-Packard in Singapore?**

L: I worked in Singapore, I started my job in Singapore then I spent, like, very short stints, like 6 months to a year in the U.S. then 6 months in Japan, a few places, in different job categories, this was my first overseas posting which is long-term, so I joined the business in '94 and then soon after that they decided they wanted to start up another site, we were

looking in Europe so I was partly involved in selecting the first team of managers we were interviewing in Ireland and then started transferring some of the activities over here and then in 2000... they asked me If I'd be interested to come here

**Can I ask you, in terms of when you were looking in Europe, why Ireland?**

Yes, the reason they came to Ireland was a couple of things, I think when we looked into Europe, we looked at quite a few countries and Ireland was short-listed along with maybe, I think, two other countries... and when they went through, you know, the various selection criteria's... very clear selection criteria which we went through to pick the site... definitely number one would have been... you know, the location is important... you know because we need the... the location, in terms of the infrastructure that you have... so number one I think Ireland came out for one thing the strong availability of talent, of people, I think... it was starting to buzz with the growth of the *Celtic Tiger* and you started to have, not only have a strong rich available competency of talent but it also started to attract Irish people who left Ireland and were starting to come back... and for our kind of a business... technical competency is a key trial so... availability of highly educated technically competent folks is very, very important... second thing I think was also the... the extremely attractive tax regime... most multinationals, I mean, wouldn't go anywhere unless it makes great financial reason so, the tax regime was... the third thing, I think was, the relationships with the Government, it's very important, I think most multinationals, most companies, most businesses, you know, you can never predict where your business model goes... every year or every three years, four years so, so you need to be in an environment that is *flexible* enough that you can change your business model so can continue to be successful, in Ireland that is very feasible primarily because the government partnered very well with the multinationals... very flexible, in support and understanding the challenges, some countries when you go, I think, they don't quite understand the challenges of... some of the big companies

**So how does that impact, how you operate?**

So, you know, I mean this site is a good story to talk about, when most companies came to Ireland at the time of the *Celtic Tiger boom*, it was because you needed a presence in Europe, very important, some of them were highly manufacturing in terms of organisation like we were, but back four or five years ago, it was also very clear that it was a matter of time before the *Euro* would strengthen against the *Dollar*... it was not *if* but *when*, now we are in that phase and you can start to see the *competitiveness* of being in Ireland is not as compelling as it used to be, because those advantages that you got from tax and everything was being eroded by *high labour costs* so we embarked onto a transformation four years

ago at this site, because from my perspective, I knew... if we stood still and did nothing then the axe falls, right, because, suddenly, oh jeez, China looks really good now, so we transformed over the four years, so now, what we were, what was purely manufacturing, today we are heavily into Research and Development (R & D)

**So it's to specialise in that regard?**

Yeah, to marketing but we also into manufacturing, but you select your manufacturing companies, you go into a, like, a high, a *high-mix, low-volume, multiple skews*, serving Europe, a specific country is a different model so to do that kind of transformation, you need government support, you need partnerships, you need government grants, you need to invest in technology, you need to create IP (*Intellectual Property*) that was the partnership

**Can I ask, in terms of your own experience, say coming from Singapore because it is one of the global locations, like how long have HP been in Singapore? I imagine there were similar sort of, experiences, I presume, in say in Singapore as what is happening here?**

Yes, yes... Singapore has been in business almost 25 to 30 years, or probably coming up to 35, so much longer than been in Ireland and I've told a lot of people my story... I've been in HP 24 years and I have been through many divisions, some have disappeared... some don't exist anymore... and the primary reason is because people decide not to embrace change... change is not bad... I mean... the one thing people have to understand too is that when there is disruption, there is also *opportunities*... most people look at a disruption and say 'jeez, this is bad', *actually* it's good... you go find the opportunities to your disruption that best suits your competencies and so yes, Singapore went through that, you know, I mean, *my first job* in HP when I first took up the job... in '82 when I first started as an engineer, after like zillionth interviews which was, HP were very prudent about who they picked at that time, finally got the job you know and within six months I lost my job... because the business I was, they hired me, decided they were going to move everything elsewhere, you know, for a young age, just starting... not a very pleasant experience but it happened, so it kind of built in me at that time that... the worst thing you can do for your people is... if you choose to... just remain static

**So it's impacted how you...your relationship with the people you work with then?**

Absolutely... it's a lot to do with the people here too and I think, you know... the one thing I've learned about the Irish... you know very quickly, you got to be a *straight-shooter*, you know, don't spend, I mean if you got bad news just look people in the eye and tell them that's bad but, you know, it's not the end... but do not try to, you know, cover it and flower it in a way that people start to see this as... integrity but they choose not to be honest

And can I, to be honest, we spoke, (L: sure), you know about it in that regard as well, there's been a lot of talk about the rate of Corporation Tax and the favourable conditions, how much does that impact the role, and I know its not just Hewlett-Packard as you said, it's all multinationals ... work in a global environment, I am aware of other locations from Singapore to Puerto Rico where there is no Corporation Tax and so we compete in those sort of environments but how does that impact the operating here, in terms of, if they suddenly turned around and there's a change of government here and they say 'well listen we want suddenly 20% or it's...'

Bad news, bad news ... so, you know the, remember I alluded a little bit to manufacturing, right, the way we have created our future has been ... you build your pillars of competencies on the foundations of manufacturing ... right, so at the end of the day its like building a house, right, your foundations are manufacturing then you build the rest of the building that eventually becomes a phenomenal structure ... but if you don't have that foundation, there's no reason ... so a lot of people say, 'well you could always be an R & D centre' and I say, 'sure but it all depends on who puts the next grant on the table' ... sure competency is there, right and then he says 'well what about the learning curve? (*refers to value chain of technology competency*), 'sure learning curve is there but what if I tell my 20 Irish R&D engineers, 'guys I'll give you an expatriate package to go to Hungary?' Right, because at the end of the day what they give me in grants and what I pay you in expenditure, I'm still ahead so I can, there are ways of closing the learning curve, right ... so ... while, if you're invested into *high - capital activity* and manufacturing, it's not that easy, right ... and then you try optimise that specifically with your other competencies, I've always kind of defined this into two areas of manufacturing, the one type of manufacturing I would call the *low - road strategy*, that, don't even try to hold onto it, that's going to go to India, that's going to go to China ... that's going to go to Ukraine, don't even go there, sometimes ... I've been to some meetings where I've heard people talk, 'oh how can we beat China? Not on *low - road*, you can never beat them, *high - road* which is where the consumer chooses to pay an IP (*Intellectual Property*), for your IP, pay a premium, that's where you want to be

**So, what do you, what would you, how do you see it so Ireland ensures the longevity of this...what has been, this...profound transformation?**

The first ... the first step they've made which I'm really pleased about, which I think has been a major milestone because of people who have been talking to the IDA (*Industrial Development Authority*) ... *don't tie investment to jobs* ... right, do not always ask if I want to get a grant, 'how many jobs is this going to create?' The paradigm shift from just *job-crea-*

*tion to job-preservation* has to happen, that's a first step ... and for job-preservation then you get the support to create business models that best support the competencies of the organization, at the end of the day ... *no multinational has any emotional attachment to Ireland...or Singapore, or China or India ... its business, right ... and if there's no business reason to be in a country we will not...we will leave tomorrow* ... but, Ireland has a lot to offer, if we get the business model right with our competencies, with our infrastructure and the ability of the partnerships...you have a compelling model so that has to happen, starting with the first ... you know, the job creation thinking, is good ... the second part of it really is to be very clear about ... you know, for the information and communications sector we are in...it is good that the government also realise, don't throw in the towel just because you already have these companies here and don't jump into the *biotech-pharmaceutical* and think that is the next wave, most countries did that ... Singapore did that and went into recession... specifically that...you have to remember how ... economic cycles change ...

## Mark

Clean Room Supervisor,  
Canteen, Hewlett-Packard Ireland,  
28 November 2003  
Present: M, 0 (representative  
from Government and Public Relations  
Department) and MC

**MC: Can I ask before, did you work in this industry before?**

M: No, not a great deal ... I had production experience but ... I suppose I travelled a bit as well, I worked in Germany, I worked in England, doing various jobs really just to, kind of, make ends meet...I think the first kind of production factory that I worked in was when I left college, initially, I worked in an Industrial laundry which was an Irish company and it was a pretty horrendous place to work, I can tell you stories in relation to safety and...you know just the way they treated people and the level of trust that you had for you was miles removed from here but then you had the unions constantly pulling you one way and the management pulling against them ... a lot of the workers were caught in the middle ... so I don't think the unions did any favours for people either ... so that's been removed from here

**And that works?**

It works to a level, yeah but I also think that senior management here at the moment and over the last couple of years have lost a lot of the trust and faith of the people on this site... they have a world-wide survey which according to the results that we've seen would indicate that around the world, it's pretty much as they were ... as a deal of satisfaction but I

think the Irish experience is ... is way different ... so, em ... with pay freezes and everything else thats happened ... and just the way things are communcated ... eh ... kind of, doesn't work very well for the Irish experience, because we're being told that the company is doing really well and for the section of the world we're in in particular is doing very well...we're actually working harder than we've ever had to work ... our targets are continuously going up but the rewards for that are just ... don't weigh up for what we're being asked to do

**Didn't HP just announce a profit of around 864 million dollars?**

Yeah and the bonus we yielded from that was 1.3% ... that's the last quarter is the best quarter they've...in history for this section of the business, but because the business as a whole has been pulled down in other areas ... this is probably the worst bonus we've got since I started here ... so

**So is part of being the Euro-zone as well in the fact that the Euro has been so strong against the Dollar?**

No, you see, I think, I'm not sure whether that has impacted ... , now you can ask someone in, kind of, finance department and they'll probably tell you 'yeah' ... I'm not too sure how that's impacted, the whole thing but, 1.3% worldwide ... thats what the bonus would be ... so it's across the board, they do everything across the board here, it's good in some ways but when you're in the section of the business that's busy and you're kind of carrying other sections as it were or you seem to be, it's not great, so it works against you ... I mean it's just one of those things right now ... so ... yeah...you know, there is...there's a level of dissatisfaction from the ground level but...*corporate* kind of run things differently ... , they look at the *share price*

**So how, in general terms, how do you think this transformation that has been brought about by the IT industry...how it's changed Ireland?**

How it's changed Ireland? Well, I suppose from my own point of view ... it gave me a bit of stability ... it brought a lot of employment into the country and ... we had the whole *Celtic Tiger* thing I suppose and that was ... really driven by, I think by ... a lot of the IT companies coming into the country in the first place ... but I think there was a level there where we got carried away with ourselves ... I won't go into Government mismanagement but I think that's also a lot to do with it as well but ... the Celtic Tiger for me didn't really get off the ground because I was one of the people, okay so I had a job which was great but a guy doing the job that I'm doing now ten years ago was a lot better off, my partner works full-time, I know guys who are in a similar position to meself, have got the same job title as me who don't really have a mortgage to pay and wives don't have to work or parents don't have to work ... so I think ... the way things have escalated on

the housing market, the inflation we've had to experience, that's all kind of taken away from the fact that, yeah we've all got a job but things are a helluva lot more expensive, so that would be one thing... but the IT... it's not the fault of HP, I mean they're providing us with a job and best luck to them... but just, it's unfortunate that the country we live in is a difficult place to live financially and to be competitive I think IT companies can't overpay obviously... the last few years have really hit that home... with pay freezes and redundancies... I suppose we haven't had to face redundancy so it's not too bad but... you know it's getting harder and harder to have a job like this in this country... you really need to be moving to the next level if you're going to make... to make a life for yourself

**Can I ask you about that, I mean I have asked a few people just in terms of the nature of Ireland being part of the global economy, it's a global player...in terms of and even ideas the IT industry can move... to India and the like, do people think, how does it concern people? Does it concern you?**

There's definitely concerns, I think they're here for tax reasons on one level, there's an element of localisation as well, they can produce a lot here and not have to store it in warehouses and transport it around the world and into a European market from India, so there are cost savings there as well so in that respect and the whole *intellectual property* that's being developed here... I think we're starting to develop some technologies here from an R and D standpoint, so that type of stuff is helping us as well... you know it's good for them to be here... but there is also the worry that inflation... is making this job less and less attractive for people, I know Operators who will never own a house and they could work here 'till the day they die and they'll never be able to afford a house... is that a quality of life? I don't think it is... we've got a young workforce here, they're very bright, sooner or later they've got to make a crunch decision and a lot of them will vote with their feet... I can't afford to work here anymore... simple as that, so, I think what's going to happen is... HP are going to lose a lot of people to competitors if they don't start to financially reward people that are working here but... the catch 22 is that can they afford that or is it just cheaper for them *to pack up and piss off to India*... that's the bottom line, so we don't know that yet, you know, if you were back here in 5 years time you'd probably see something...

**Can I ask you, where do you see yourself in all this? Among all this change that has had such a profound effect on this country?**

M: The opportunity is there to do something... if you're in a dead-end job and going nowhere, which I think a lot of the Operators probably sometimes feel they are, they always have the

opportunity to go and train to be a Tech or do a Supervisors course or whatever... some of them choose to do and some don't and that's just down to how driven they are and they are great in that respect, they give you that opportunity... and that I think is great because that I'll raise the profile of this nation, you know, a viable... base for High-Tech companies in the future, so if even HP is gone, they'll think, well Jesus, there's an educated workforce, they've been there, they've done that, let's start up there... so in that respect they're probably laying a good foundation... I think there's... you can argue for and against every time... it's strange

**So how do you think the World views it, Ireland now?**

Well I don't think we're the *Land of Leprechauns* anymore anyway... I think we're probably viewed more seriously than we used to be but I think we've a problem with how we view ourselves... what we instantly look at, *this is why it won't work*, we don't look, *can we do this?* You know there's no confidence there to say we could probably do this so why don't we try it and... but again... it's

**And why do you think that is? Do you think history has a part to play in it?**

I think we've made too many mistakes in the past... I think over the last, 20-25 years as we have developed and we have developed a lot, there's also a lot of mistakes made and I think that's what people tend to concentrate on instead of the achievements... we've come a long way as I say in the last 20, 25 years... as we've developed we've taken on new projects and made mistakes and people are, seem like they are afraid to make those mistakes again but I mean... it's part of life, you know, you make mistakes... like there's the Port Tunnel (*tunnel project linking Dublin ring motorway with Dublin port*), it's too short, whatever, but, like, at least we're trying to fecking do it... we're trying to do something but we're having problems so people concentrate on the problems, there are reasons why that happens as well I think some of the politicians are to blame as well

**Do you think we have control over our destiny or whatever you want to call it? (M: As people?) Yeah or as a country, even say economically? In terms, companies here that we work for, salaries are paid by foreign companies, that sort of way?**

Alright, yeah, I think we need to be very... cost effective to keep these people in the country, I mean we can keep throwing tax breaks at them but that's just... that will only go so far... *it's a fools economy or a false economy or fool's paradise* or whatever you want to call it... I think we need to be... more cost effective and I don't think the way inflation etc. is at the moment that we really are... what we have got is, as I said, is a well-trained, well-educated, kind of workforce, so that's in our favour but, again time will tell whether that's enough, I don't see it attract-

ing everybody... I think they'll always come in for the tax break and that's probably the main reason they're here for now... so I'm really not sure where this is going to be in 10-15 years time... you could have a lot of well-educated people walking down to the dole office and you know... but like, I don't really know where it's going... you know.



the South of Ireland never experienced the Industrial Revolution  
(O'Brien 1999)



a hedgerow between a nature reserve and one of Leixlip's cutting edge multinationals is the interface between the romance of the countryside and the most hi-tech industry in Europe. Surrounded by water, two rivers and the Royal canal, with open space and room to grow, Leixlip is poised at the forefront of Irish history, as it has been since the last Ice Age which ended at the top of the cliff behind the north side of Main Street and along the Rye River valley. The Ice Age. A Viking outpost. A Norman stronghold. An outpost of The Pale. Cyberspace.

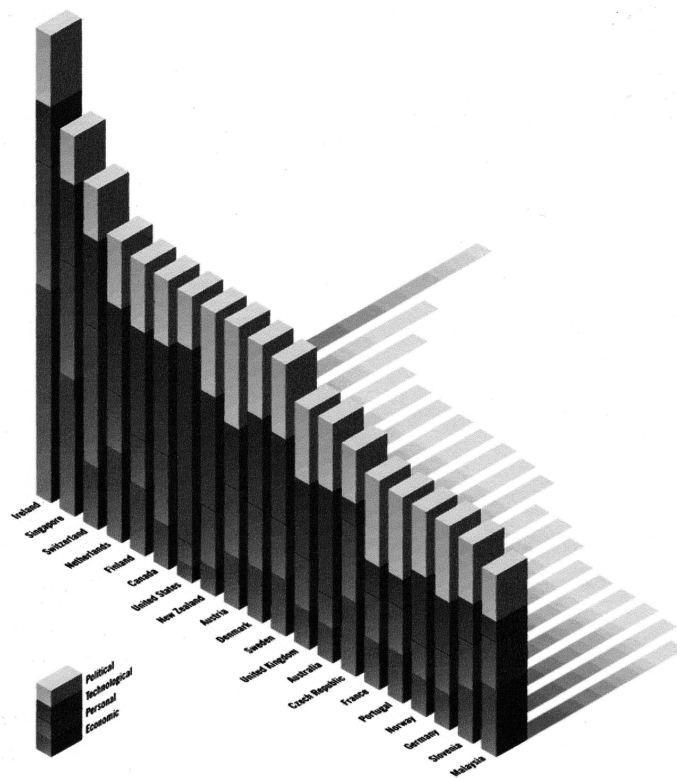
(Leixlip Town Council website)



*'no photography or use of image capturing device without the express permission of security'*

*it was a Monday morning in May 2003 when I arrived in the reception area of Hewlett-Packard just outside the town of Leixlip, County Kildare in the east of Ireland. HP is one of the largest ICT (Information and Communication Technology) hardware producing companies in the world and the largest ICT employer operating in Ireland. Attracted by the availability of a young, educated and English-speaking workforce, non-repayable cash grants and the lowest rate of Corporation Tax in Europe, the plant opened in 1995, 1.2 million square metres and almost 2,500 people working on site and is the location of HP's only inkjet manufacturing and research complex in Europe – One of it's 'global manufacturing sites', all of these sites, except Singapore, are built to similar architectural specifications and design, operating 24 hours a day and 363 days a year. This area west of Dublin is part of an 'ICT cluster' with Intel up the road. The cluster formation, based on Silicon Valley, is the normal operating pattern at any of these locations around the world...*

*I gave my name, organisation and that of the person I was there to meet, this was duly noted and time recorded, I received an 'escort required' badge to be displayed at all times and waited for my liaison from the Government and Public Affairs Department. In the minutes that followed, I listened to French, English, American and various Asian accents in brief soundbites between greetings and goodbyes...my liaison arrived with the 'camera pass', to be presented to anyone who queried our actions or questioned our presence. My liaison will accompany me at all times when 'on site'; we proceeded to our first card-swipe door, the use of the card enabled security to log our position...*



Ireland is now the most globalised economy in the world  
(A.T. Kearney/Foreign Policy Globalisation Index)

It follows the pulse beat of the market and can change over to six or seven days of production overnight, uses market opportunities and risks optimally to create value. The break-even point in capacity usage remains low and market peaks can be taken as well. When the production process becomes flexible, then working hours and working conditions must also become flexible. Not only on the factory level. The new 'breathing rhythm' must also make headway at the social level: the time rhythm in society, the labour market, the educational system and the remaining institutions of the welfare state.

The target is a breathing factory

(source: Peter Hartz, Chairman, VW [1996] The Company That Breathes: Every Job has a Customer)