

Detroit, USA



GM to cut 13,7% of global salaried workforce this year

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GM is notifying its employees that it will reduce salaried employment globally from a current level of 73,000 to approximately 63,000. These reductions are expected to take place in 2009.

These difficult actions are necessitated by a severe drop in vehicle sales worldwide and by the need to restructure GM for long-term viability. GM outlined the need for the reductions in its restructuring plan submitted to Congress on December 2, 2008. The announcement this week begins implementation of this aspect of the plan.

Salaried employment reductions will vary by global region, depending on the staffing levels in the region and market conditions. Details of the reductions and separation programs will be shared directly by regional leadership with the affected employees.

In the United States, approximately 3,400 of GM's 29,500 salaried employees will be impacted. These reductions will be made using GM separation programs and policies, which provide for severance payments, benefit contributions and outplacement assistance. The majority of the reductions are expected to take place by May 1, 2009.

GM also announced a temporary pay reduction for a majority of U.S. salaried employees. This begins May 1, and will be effective through the end of the year, when it will be reviewed. In the U.S., executive employees will have their base pay reduced by 10 percent, and many other salaried employees will see reductions of 3 to 7 percent.

Other countries are currently reviewing compensation and benefits for salaried employees.