

Automotive News

FRIDAY, FEBRUARY 1, 2019

GM expected to begin thousands of salaried job cuts next week

Michael Wayland
(Excerpt)

DETROIT — General Motors is expected to start making significant cuts to its salaried work force next week, according to two people familiar with the plans.

The cuts, which one adviser on Friday described as "Black Monday," are expected to take weeks, if not longer, to complete, according to the sources within GM, who agreed to speak on the condition of anonymity.

In November, GM announced plans to cut 15 percent of its 54,000 salaried employees in North America including slashing global executives by 25 percent. The announcement followed 2,250 white-collar employees agreeing to voluntary buyouts — below the company's target of roughly 8,000.

GM, in a statement to *Automotive News*, said: "We are not confirming timing. Our employees are our priority. We will communicate with them first." ...

... David Kudla, chief investment strategist for Mainstay Capital Management, said the firm expects GM to face more political and public backlash as the cuts are implemented. He referred to the automaker beginning the workforce reduction next week as "Black Monday."

GM's cuts are the largest since the automaker emerged from bankruptcy in 2009. A year prior to then, the automaker announced plans to reduce its global white-collar work force by 10,000.

As GM makes its cuts, its largest crosstown rival, Ford Motor Co., is preparing to cut an undetermined number of its 70,000 salaried workers globally under an \$11 billion companywide restructuring led by CEO Jim Hackett.