

GM to start laying off 4,000-plus salaried workers Monday

By Nora Naughton (excerpt)

General Motors Co. will begin on Monday morning a weeks-long process of laying off roughly 4,250 salaried employees, The Detroit News has learned.

As part of a larger restructuring effort, GM will start salaried workforce reductions in earnest Monday, with more involuntary separations continuing through February, according to a source familiar with the plans. It's not clear yet which departments will see cuts first.

The layoffs are the latest move in a sweeping restructuring of the automaker's global operations. They include indefinitely idling five North American manufacturing plants later this year, expected to save the company up to \$2.5 billion in 2019 and a total of \$6 billion by 2020. The plants facing potential closure include Detroit-Hamtramck Assembly, Warren Transmission, Baltimore Operations and Lordstown Assembly in northeast Ohio.

GM largely will complete an ongoing effort to cut some 8,000 salaried and contract jobs this month, the source said. As part of its restructuring, the automaker also is cutting its global executive workforce by 25 percent, but it's unclear where that effort stands.

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

Prior to moving to involuntary separations, GM offered buyouts to 18,000 employees on Halloween last year. In an internal memo

obtained by The News after the deadline to accept buyouts, CEO Mary Barra said roughly 2,250 employees requested to take the voluntary separation offer. Reductions to GM's contract workforce were largely completed last year with some 1,500 workers let go.

GM's plans to begin salaried layoffs, first reported by Automotive News, were referred to as "Black Monday" by David Kudla, CEO of Grand Blanc-based Mainstay Capital Management LLC. He told The News he expects layoffs to begin at 7:30 a.m. Monday, and continue on a "rolling basis."

The start to GM's layoffs comes days before the Detroit automaker is scheduled Wednesday to report fourth quarter and full-year earnings for 2018. At an investor event earlier this year, GM said it expects earnings per share slightly higher than the \$5.80 to \$6.20 initially forecast. The automaker also is expected to exceed its previously estimated \$4 billion in free cash flow.

...

© 2019 Detroit News.
Reprinted with permission