

Ford CEO Jim Hackett told employees last week that by this September 7,000 salaried positions will have been eliminated globally—roughly 10% of Ford's salaried work force—saving the company USD \$600m annually.



That figure includes voluntary buyouts, "involuntary separations", and open positions Ford are choosing not to refill. Of the 7,000, about 800 "involuntary separations" will have occurred in the United States, some 500 of which are scheduled to happen immediately. Hackett said that Ford are "a family company and saying goodbye to colleagues is difficult and emotional...we have moved away from past practices in some regions where team members who were separated had to leave immediately with their belongings, instead giving people the choice to stay for a few days to wrap up and say goodbye". Hackett said the company are creating a flatter management structure with less bureaucracy, noting more than 80% of managers will have six or more direct reports, up from 35% before the cuts began.

The 7,000 cuts include some salaried positions in South America, where Ford are closing a plant and leaving some vehicle markets. They also include cuts to the maker's European business, announced this year. Since Hackett took over as CEO two years ago, he has implemented an \$11bn global redesign to improve what he calls Ford's "fitness", which includes the layoffs as well as cuts to unprofitable and low-margin vehicles, including all sedans in the North American market. In addition, Ford in 2018 announced a five-year cost-cutting goal of \$25bn as they work to achieve 8% profit margins globally by next year.