

AMR TO LAYOFF 20,000

AmericanAirlines®

It looks like AMR is going to get ready to lay off a serious number of workers at American Airlines. If you're a little bit confused by now lets begin by clearing the air. We are not talking about the medical supply company. We are talking about the parent company of American Airlines. For those of you who are not familiar with the company here is how it [describes itself](#) : "At the company's annual meeting in May 1982, stockholders approved a plan of reorganization under which a new holding company, AMR Corporation, was formed and became the parent company of American Airlines. The reorganization took effect on Oct. 1, 1982. The formation of AMR had no effect on day-to-day operations of American, but it did – and still does – provide the company with access to sources of financing that otherwise might not be available. The holding company structure also allows the company to take advantage of appropriate new opportunities. The name "AMR" was taken from the airline's three-letter New York Stock Exchange trading symbol. It simply stands for "American." Today, AMR is the parent company of both American Airlines, Inc. and American Eagle Airlines, Inc., and has a number of businesses and key facilities within its corporate structure. The company is also a founding member of the global oneworld Alliance. All aspects of the airline's worldwide activities are overseen from AMR's Corporate Headquarters campus in Fort Worth, Texas." How many workers are getting the boot? Well, that is the worst of the news. The layoffs are expected to affect up to 20,000 workers. While that number is massive, it is by no means the entirety of the company's workforce. AMR actually employs about 87,000 workers between the two airlines, so the cuts will end up being about one quarter of the total staff. That is, if the numbers are as high as is expected. At the current moment there is no official statement with a solid number on the layoffs that are coming. We do know that in a letter the CEO of American Airlines, Tom Horton, warned staffers that every work group in the company should get ready to lose staff of up to 20%. He made it very clear in this letter that this would include the management groups. The company is looking to save many billions of dollars, and they are expected to get about \$1.25 billion of those saving from cutting back on staff. Of course, they are not the only airline to layoff. Some of you may remember our coverage of the layoffs at [Qantas airlines](#) for those of you who did not catch it, here is an excerpt: "The people in the nation of Australia are getting quite annoyed at the executive greed of the folks over at Qantas airlines. After announcing a round of layoffs in August of this year, with about 1000 jobs being cut do to the need to balance the budget. That can be enough to make the people losing their jobs mad but when you consider the newest bit of information released people are even less happy. A new piece was published that shows the salaries of the Qantas airline executives and they were fairly high. The salaries were described by those who were familiar with the figures described then as astronomical and in other have sparked anger. Those salaries included the rate of pay on the companies CEO Alan Joyce."

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