

## ALMOST 6000 JOBS MAY BE AXED BY PROCTER & GAMBLE



In a bid to allay investor frustrations, Procter & Gamble has announced plans to cut jobs that might lead to a savings of \$10 billion by 2016. Experts say that the extensive job cuts may in fact raise long-term costs for the company, as people facing layoffs are employees on whom P&G had invested heavily to hire, retain, and train. The new announcements hinted at more than 4000 jobs facing the axe on top of another 1600 that had already been planned for the present fiscal year. Adding the scores up, NY Times reported an impending 5,700 job losses at Procter & Gamble over the next year, though the numbers may hardly stop at that. The workforce being targeted is highly skilled, and competitors might lap up the opportunity to hire skilled employees ready to bargain with their backs up against the wall. The company is one of the largest consumer product manufacturers in the world, but has been affected within U.S. due to the past recession. Additionally, due to policy changes, unlike other American companies, Procter & Gamble is failing to get the same advantages from foreign currency exchanges as it enjoyed up to last year. The company said that though the overall staff strength in U.S. would be reduced, hiring in high growth markets like China will continue unabated. The company would also continue to invest in ventures conducive to growth like marketing Oral B in Latin America and single-unit Tide Pods in North America. After the company plans were announced by the chief executive of P&G, Robert A. McDonald, stocks of Procter & Gamble raised by \$1.98 a share on the New York Stock Exchange. The jobs that are planned to go consist of around 10 percent of the management and supervisory workforce of the company, which is not involved in manufacturing activities. This kind of extensive job cuts of non-manufacturing employees is rare in the history of the company and may lead to a weakening of the pool of trained sales and marketing professionals, which can in turn affect future prospects of the company in the U.S. market.

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