

MAGYAR TELEKOM TO CUT 500 JOBS



Magyar Telekom is a name that many of you are likely not to be familiar with at all. That is not to say that you do not know any brands that the company owns. So before we talk about the job cuts to come we are going to take a look at how the company **chooses to describe itself**, “Under the corporate ‘T’ brand are comprised Magyar Telekom’s employer and HR, financial and investor relations, legal and corporate affairs, sustainability and corporate responsibility, innovation and business development, technology and networks activities. The management structure of Magyar Telekom defines the operating model for the Group on the grounds of a functional organization designed to further improve the company’s decision making and flexibility. Under the leadership of the Chairman-CEO, the company’s Chief Officers are heading the functional areas (financial, human resources, business services, marketing, sales and services, strategy and corporate development, technology and IT, legal and corporate affairs).” Sadly the company is getting ready to shed about 500 jobs in the near future in order to set its balance to right. The company put out some information about the state of its layoffs that help to explain why the company is **making those cuts**, “According to the terms of the agreement, the Company plans to make 500 employees redundant in 2013. The majority are expected to leave the Company by the end of 2012. This figure does not include – among others – the employment termination of executives and employees retiring. In addition, to achieve further efficiency improvements, organizational restructuring will take place as of January 1, 2013 and one element of social benefits, the employer contribution to postponed pension fund will be reduced by 25%, as well. Total severance expenses related to the headcount reduction will be approximately HUF 6.0 bn and the majority of these will be accounted for in the fourth quarter of 2012... Based on these measures, our goal is to reduce Total Workforce Management (TWM) related costs excluding severance and capitalized employee expenses by HUF 5.8 bn in 2013, compared to 2011, representing 5.6% decline over the two year period. Consequently, in the 5 year period of 2008-2013, TWM related costs excluding severance and capitalized employee expenses and adjusted for technical changes in the TWM cost structure are set to decrease by 18.4%.” Of course this is not the only wireless company to make job cuts. For those of you who missed out on our earlier coverage of job cuts to Nokia here is a look at our coverage that will get us **up to speed** in no time at all, “The company is getting ready to cut back on 400 more jobs in a bid to cut back on the costs. We do know that the company is going to be making the cut in Finland, but when all is said and done the company has not said a lot about what kinds of jobs are going to be cut. For the time being the impacted workers can only wait and see what will happen to their positions.”