

Hewlett-Packard to Fire 30,000 Employees Through Split



New York, September 22 (RHC)-- Officials at Hewlett-Packard (HP) say the company is planning a corporate split, which will see 25,000-30,000 of its employees losing their jobs after HP slashed tens of thousands of jobs in recent months.

HP, a major player in the computer industry, is currently going through a massive reorganization in a bid to move away from traditional personal computers to mobile devices, AFP reported.

The move by company, which is the world's second-largest PC maker and one of the biggest U.S. tech firms, is going to split into two separate units: one focusing on personal computers and printers, and the other on software and enterprise services.

The new organizational change is expected to lead to USD 2 billion (1.78 billion euros) reduction in annual cost, plus USD 700 million in savings related to the spinoff. The company, however, has not announced a definitive timetable for the layoffs.

According to HP's last annual report, the company had some 302,000 employees at the end of 2014. Company officials said that the new job cuts will be the last ones, with Meg Whitman, HP's chairman and chief executive, saying, "These restructuring activities will enable a more competitive, sustainable cost structure for the new Hewlett Packard Enterprise."

He added: "Hewlett Packard Enterprise will be smaller and more focused than HP is today, and we will have a broad and deep portfolio of businesses that will help enterprises transition to the new style of business."

According to Whitman, the split will help the company "meet the evolving needs of our customers around the world" in a better way.

The new company will focus on cloud computing, servers, storage, networking and other technology services, with the other unit, called HP Inc., maintaining the personal computer and printer operations.

HP also released a statement saying that the new Enterprise will have more than USD 50 billion in annual revenue and "will be focused on delivering unrivaled integrated technology solutions" to other companies.

The split is scheduled to be completed by the end of the fiscal year in late October and will take place as a tax-free distribution of shares to HP's stockholders.

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