

Cessna To Cut Another 700 Jobs In 2010

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WICHITA, Kan. (AP) — Cessna Aircraft announced Tuesday it will cut another 700 jobs, saying it has not seen the growth and recovery that it expected this year.

Cessna CEO Jack Pelton told workers in an e-mail that the company's performance mirrored the "lackluster economy."

"While cancellations have slowed, the recovery and growth we expected to see throughout the year have not materialized, and the timing of any recovery remains uncertain," Pelton wrote. "This requires additional adjustment to our production schedules."

The latest round of layoffs comes on top of 8,000 jobs Cessna has shed since late 2008 as it cut its work force by half, Cessna spokesman Doug Oliver said. Most of the layoffs have been at the firm's Wichita facilities, where 6,200 people now work compared to 12,400 in late 2008.

It is uncertain when the 60-day notices will start going out, Oliver said. The layoffs would be companywide.

Cessna's biggest plants are in Kansas, where it builds planes in Wichita and Independence. The company announced in December it would close operations in Columbus, Ga., within a year or two. It also has a manufacturing plant in Chihuahua, Mexico.

The Wichita-based plane maker told its employees the company must cut costs to remain competitive.

"Our strategy is to defend and protect our current markets while investing in products and services to secure our future, but we can do this only if we succeed in restructuring our processes and reducing our costs," Pelton wrote.

Cessna announced the layoffs just days after members of the machinists union rejected a contract but failed to muster enough votes for the strike union leaders recommended. Because a strike wasn't authorized Saturday, the contract was accepted by default.

Cessna had called the seven-year contract offer "very fair" given the poor economy and challenges in the aircraft industry. But union leaders were concerned about a lack of job security and an increase in health care costs.

Tuesday's announcement on the layoffs was not related to the contract vote, Oliver said.

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

Source URL (retrieved on 09/18/2014 - 6:32am):

<http://www.impomag.com/news/2010/09/cessna-cut-another-700-jobs-2010>