

# Reports: HP Poised To Cut Up To 30,000 Jobs

The Associated Press

SAN FRANCISCO (AP) — Hewlett-Packard is poised to eliminate as many as 30,000 jobs to compensate for dwindling demand for personal computers as more people connect to the Internet on smartphones and tablets, according to reports published Thursday.

The looming cuts cited by Bloomberg News and the technology blog All Things D would trim as much as 9 percent of HP's workforce, based on the 349,600 people employed by the Palo Alto, Calif., company as of last October. A breakdown on HP's website listed 324,600 employees, but company spokesman Michael Thacker said the information was wrong. He pointed to the October figure listed in HP's annual report as the most accurate head count.

Bloomberg News says HP is mulling 25,000 job cuts. All Things D, which is affiliated with The Wall Street Journal, estimates the purge will jettison 30,000 jobs. Both reports cited unnamed people familiar with HP's plans.

Thacker declined to comment on the reports.

The job cuts could be announced next Wednesday, when HP is scheduled to report its quarterly earnings.

Those results are expected to show that HP, the world's largest maker of PCs and printers, is still struggling to adapt to a technological shift that is enabling more computing tasks to be completed on smartphones and tablet computers such as Apple Inc.'s hot-selling iPad.

The trend has been crimping HP's sales. Analysts predict HP's revenue for its current fiscal year ending in October will total \$122 billion, down 4 percent from \$127 billion last year.

If HP trims its payroll by at least 18,000 workers, the company could save more than \$1 billion annually, according to ISI Group analyst Brian Marshall.

If it occurs, the purge would be the most dramatic step taken so far by HP CEO Meg Whitman, who took the job last September after the company abruptly ended the 11-month reign of her predecessor, Leo Apotheker.

Whitman told analysts that she inherited such a messy situation that it may take several years for the company to bounce back. HP is trying to lift its stock price back to where it was nearly two years ago before the company demanded the resignation of another CEO, Mark Hurd, who was widely respected on Wall Street. Hurd stepped down in August 2010 amid questions about his relationship with an HP marketing contractor.

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HP's shares are worth half as much as they were before Hurd's departure. The stock gained 3 cents Thursday to close at \$22.03.

Whitman has said she wants to increase spending on research and development to spur more innovation at HP. The company cut deeply into its research-and-development budget while Hurd was CEO. Whitman has indicated that she would reduce expenses in other areas so she can funnel more money into research and development.

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