

Dell - Parent Company Dell Technologies Halts 401(k) Employee Benefits, Pay Raises, and Hiring Amid COVID-19 Pandemic

- Dell Technologies Inc. has suspended some employee benefits, signaling that it is cutting costs to contend with the weakening global economy
- The company will discontinue contributions to employees' 401(k) retirement plans under a matching program, beginning June 1, 2020, and continuing at least until the end of the fiscal year
- Dell has also frozen external hiring, internal promotions and raises for the rest of the fiscal year
- The company suspended an incentive program with so-called "inspire points," which let employees translate recommendations from managers and colleagues into prizes
- Dell has not yet conducted mass layoffs or cut the salaries of rank-and-file employees
- Also, the company did not report results since February 2020, so it's unclear how high a toll the pandemic has taken on the company's overall performance

Source(s)

<https://www.bloombergqint.com/technology/dell-slashes-employee-benefits-to-preserve-cash-during-pandemic>

<https://www.bloomberg.com/news/articles/2020-05-21/dell-slashes-employee-benefits-to-preserve-cash-during-pandemic>

Targets Affected:

Dell EMC - Dell, Inc.

Guidance

Actions to consider:

Consider implementing suggested actions related to 'Layoffs/Pay Cuts/Freezing of Hiring, Promotions, Appraisals, and Bonuses' under the 'COVID-19: Actions to Consider' section below / next page

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.