

HPE - Plans Layoffs and Announces Pay Cuts Due to COVID-19 Uncertainties

- Hewlett Packard Enterprise (HPE) announced that the company is planning to layoff employees and will implement salary cuts for all employees
- Chief Executive Officer (CEO) Antonio Neri said that effective July 1, 2020, the company will implement a short-term pay reduction for all employees and is legally permitted through October 31, 2020
- Neri added that the company will implement cost containment measures by restricting external hiring through the end of 2020
- Also, the company is set to put a hold on salary increases for its employees
- Sources revealed that HPE's Senior Executives will see their base salaries reduced by 20% to 25%, while the Board reduced each Director's cash retainer by 25% from July 2020 to the end of the FY 2020
- However, the company declined to comment on the number of job cuts

Source(s)

<https://www.fiercetelecom.com/telecom/hpe-plans-job-cuts-and-reductions-executives-salaries-due-to-covid-19>

<https://www.sdxcentral.com/articles/news/hpe-cuts-salaries-companywide-as-covid-19-wrecks-q2/2020/05/>

Targets Affected:

HPE

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.