

Hughes Lost More Workers Than Expected

January 17, 1990 | RALPH VARTABEDIAN | TIMES STAFF WRITER

Hughes Aircraft, which announced plans last year to eliminate 6,000 jobs in an effort to save money, instead finished 1989 with its employment rolls down by a net of 9,300 workers, it was learned Tuesday.

The job losses constituted the largest cutback by a defense contractor since Rockwell International in 1986 began laying off 23,600 B-1 bomber workers, 12,600 of them in Southern California. Unlike the Rockwell cutback, the Hughes layoffs came in the midst of a declining market, in which Northrop, Lockheed and General Dynamics were also laying off workers.

Most of the 9,300 jobs lost at Hughes are considered by the company to be permanent reductions. But about 2,100 of the jobs may have been lost only temporarily, company spokesman Ray Silvius said.

In the meantime, the company has found itself short of workers in some instances and is advertising for new workers or bringing in temporary workers through "job shop" agencies.

"A lot of really good people left," said one missile engineer at the firm's Canoga Park facility. "It makes it harder for the rest of us. . . . Hughes had to do something because its costs were too high."

Virtually all of Hughes six major operating groups, stretching from the San Fernando Valley to Orange County, were affected.

The company did not have available a breakdown of the layoffs by location. But it is believed that the firm's Fullerton division was one of the hardest hit, with an estimated loss of 1,500 jobs. The satellite and communications operation in El Segundo was reportedly among the least affected. The reductions during 1989 lowered Hughes' employment to 67,000, down 15,000 from its peak in 1982.

The job reductions were made through a combination of layoffs, retirements and terminations. Some workers left voluntarily with special benefits and others were put out involuntarily--with or without special benefits.

Hughes had said it would eliminate the 6,000 jobs under a program called the "organizational transition plan." But Silvius said 1,200 more workers than planned were cut through the plan, because more employees accepted the voluntary package than Hughes expected.

The company figured that to get the 6,000 terminations, it would have to offer 7,500 to 8,000 workers the package, a company official said last year. The inducements included payment of one week's salary for each year of service.

"A lot of people felt their jobs were flaky, and they didn't want to stick around for later layoffs," one manager said. "So, they took the offer if they could get it."

At the same time, normal turnover occurred outside the organization transition plan and those workers were not all replaced. Hughes never publicly announced that it would reduce employment outside the organization transition plan.

The company now says that 3,500 workers who were not covered by the organizational transition plan left the company. The firm hired 1,400 workers during the year, for a net reduction of 2,100, bringing the total to 9,300.

Silvius said the reductions through attrition were "normal" and the company was advertising for workers to fill some, if not all, of those jobs.

"There is no burst of hiring going on," he said. "We are advertising, and in some cases hiring workers." Silvius added that the current level of workers from job shops "is pretty normal."

Some engineers and scientists around the company took a skeptical view of the situation, saying they couldn't understand why the company paid workers to quit only a few months ago and now must advertise to hire new workers.

"It is a very depressing situation," one engineer said.