Evonik to cut 1,000 Jobs up to 2020

As part of a corporate efficiency drive, German chemical producer Evonik is streamlining its administrative and sales workforce and intends to eliminate as many as 1,000 jobs up to 2020. Altogether, Evonik has 36,000 employees in more than 100 countries. Nearly two-thirds work in Germany.

The plans announced at the end of June, which the Essen-based company said represent the “next step toward a performance-oriented corporate culture with a healthy cost structure,” have been approved by employee representatives. The general works council said it has managed to achieve “the greatest possible job security” for employees.

Evonik said its aim is to reduce bureaucracy, streamline processes and cut administrative and selling expenses to meet the target set last year of permanently reducing the chemical producer’s cost base by €200 million over the coming two years.

The first €50 million of the proposed savings are planned to be achieved this year and will mainly involve reducing material costs. To realize the remaining €150 million, the company in recent months conducted a detailed analysis of all administrative and sales functions.

Details of where the cuts will take place have not yet been revealed, but Evonik said it will use natural fluctuation to reduce numbers. For German employees there will be no business-related dismissals – an existing worker protection agreement has been extended to 2023.

Christian Kullmann, who became CEO and chairman of Evonik’s managing board in May 2017, said the goal is to build a “best-in-class specialty chemicals company.” This will require “a balanced portfolio, leading innovative capability and a new, performance-oriented corporate culture.” To this end, he said, management “wants to accelerate decision-making and strengthen cost-awareness.”
Dede Williams, Freelance Journalist

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