

Wal-Mart cutting 700 jobs at headquarters

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LITTLE ROCK, AR -- Wal-Mart Stores Inc. will cut 700 to 800 jobs at its northwestern Arkansas headquarters as it builds fewer new stores this year and makes other operational changes, the world's largest retailer announced Tuesday.

The cuts are in Wal-Mart's real estate, apparel and health and wellness departments, spokesman David Tovar said. Wal-Mart would not say how many jobs will be cut in each segment.

Tovar said employees will be told of the cuts in the next couple of weeks and there was no immediate plan to make other positions within Wal-Mart available to them.

But he said the company also plans to add jobs at its New York apparel office and expects "to add thousands of jobs" at Wal-Mart stores and Sam's Club warehouses this year -- a figure that includes hires at new stores.

Last year, Wal-Mart opened 166 new stores, but this year that number will be between 125 and 140 -- leading to the cuts in the real estate unit.

"Obviously, we don't need as many people to do the work to site a new store, to build a new store," Tovar said. But since Wal-Mart is expanding its program to renovate and expand stores, it will hire more workers in that area, he said.

Tovar said Wal-Mart added 33,800 jobs last year from new stores. "We expect growth in the tens of thousands this year as well," he said. Worldwide, it has more than 2 million employees, and 14,000 work at the headquarters.

The company is moving positions in its apparel buying and planning group from Bentonville to New York.

"New York City is the fashion hub and we needed to have more people located there," Tovar said.

In health, Wal-Mart is consolidating three areas into one. Pharmacy, optical and in-store health clinics have operated as separate units. Combining them will result in job cuts.

Workers whose jobs are cut would be paid for 60 additional days and will receive health coverage for that time, he said. Those eligible will be given severance pay, based on their tenure. He said the company would waive its policy of not letting employees immediately take jobs with vendors, and outplacement services would be available.

Wal-Mart shares fell \$1.56, or 3.2 percent, to end at \$47.72 in an overall sharply lower market Tuesday.

In July 2001, the company laid off 100 workers at its headquarters and kept 300 position unfilled, which Wal-Mart attributed to economic conditions after a review of its home office operations. Last year the company cut some positions in the apparel office.

In recent weeks, major retailers and manufacturers including Macy's Inc., Bon-Ton Inc. and Liz Claiborne Inc. have announced massive job cuts and other cost-cutting measures as they aim to preserve cash in the wake of an unprecedented pullback in consumer spending.

Wal-Mart was one of only a handful of merchants that reported a sales gain in January, while most others suffered deep declines. The overall industry sales decline marked the fourth consecutive sales drop since October.

Sam's Club rival Costco Wholesale Corp. has said its profit for the quarter ending in February will "substantially" miss Wall Street estimates due to poor sales and margins.