

Business

Hyundai Management Take 20% Pay Cut

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April 21, 2020 12:11

Around 1,200 executives at Hyundai's 50 affiliates have agreed to an indefinite 20-percent pay cut starting this month.

The automotive conglomerate has been hit hard by dwindling sales due to the coronavirus epidemic. A senior Hyundai executive said Monday, "Managers decided to take a pay cut as an initiative and set an example as business gets worse. There was consensus that we cannot sit idly by in this unprecedented crisis."

Hyundai chief Chung Eui-sun will also take a pay cut. He earned W5.2 billion last year from Hyundai Motor and parts maker Hyundai Mobis (US\$1=W1,221).

The last time management at Hyundai accepted a pay cut was in 2016 amid China's unofficial boycott of Korea.

Most of Hyundai and Kia's overseas factories have stopped running due to the epidemic and sales have been declining since February.

Hyundai Steel, which supplies the two carmakers, started a voluntary retirement scheme last year, and plans to sell its headquarters in southern Seoul. Hyundai Corp. also seen plant construction projects grind to a halt.

Meanwhile, Lotte chairman Shin Dong-bin and executives at Lotte Holdings agreed to a three-month pay cut. Shin will take a 50 percent cut, while 33 executives and directors will lose 20 percent.

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