

McKinsey restructures, 3% of workforce to go

By  Danette Breitenbach

15 Apr 2024

McKinsey will let 360 employees, around 3% of its workforce, go. Over 45,000 employees in 130 cities are employed by the global consulting firm.



Source: © Jacobin [Jacobin](#) McKinsey headquarters in New York. McKinsey is restructuring and 3% of workforce will be let go

Once dubbed “the single greatest legitimizer of mass layoffs”, the firm will release employees across the world and divisions such as design, data engineering, cloud and software.

This is according to numerous reports in the media. One source quotes one of the people, who asked not to be identified, saying those considered are “specialists or have technical expertise that works alongside the firm’s traditional consultants”.

The reductions are part of McKinsey’s adapting to a dynamic market landscape.

Another media source states that the decision is driven by fluctuations in client service demand, and “emphasises McKinsey’s commitment to optimising its operational efficiency while maintaining exceptional service delivery”.

McKinsey and its peers in the consulting world have trimmed headcount, says [Straits Times](#) with delayed start dates and slowed the pace of hiring over the past year amid declining demand from clients.

Political backlash

The firm has been battling fierce political backlash in the US for its work in Saudi Arabia and China. In February the firm stated that it stood by "our prior statements regarding our work in China".

"As we have stated previously: The central government of China is not, and to our knowledge has never been, a client of McKinsey. Our client work in China is overwhelmingly for U.S., multinational and Chinese private-sector entities.

"We reject efforts to use a document McKinsey didn't write and work we didn't do to call into question our 75-year history of supporting the US government. We stand by our previous statement and our commitments to US clients," [McKinsey](#) stated.

Performance improvement programme

According to [Layoff Tracker](#) "Despite achieving a record-breaking \$16bn in revenue last year, McKinsey is proactively addressing internal performance metrics.

"The firm has also recently implemented a performance improvement programme encompassing approximately 3,000 consultants."

At the beginning of February [financial careers](#) quoted *Bloomberg*, that the unwanted staff will be given an opportunity for redemption.

"They have been handed a 'concerns' rating and have three months to improve their performance. Only at the end of that period will they, potentially, be let go. And even then, it won't be a harsh exit: they will be *counselled to leave*"

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of Advantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

- First of its kind MACC Fund to raise R10.2bn to transform creative industry - 13 May 2024
- Under Armour, challenger brand, shows up, launches icon brand house in Sandton City - 29 Apr 2024
- Sabre EMEA 2024 Awards: Razor PR, Retroviral top SA agencies - 18 Apr 2024
- McKinsey restructures, 3% of workforce to go - 15 Apr 2024
- SpendTrend 2024: Resilient South Africans adapt to challenging economic conditions - 9 Apr 2024

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>