

# New Heinz Owners Offer Buyouts to Pittsburgh Workers

PITTSBURGH (AP) — The new owners of [H.J. Heinz Co.](#) [1] have offered buyouts to all workers in Pittsburgh, where the ketchup-and-food giant has been based for decades, but insist the offer doesn't signal a plan to move the company's headquarters.

Instead, Heinz officials said the buyout is being offered because the new owners Berkshire Hathaway and Brazilian investment firm 3G Capital recognize the company's new culture might not be "the perfect fit" for longtime Pittsburgh-based employees. Heinz officials said any workers who quit will be replaced, leaving the company with the same number of workers in Pittsburgh.

The buyout offers, which begin at six months' severance pay and increase depending on years of service, were sent out last week to all 775 Pittsburgh employees. The workers have until Monday to decide whether to accept.

"Heinz realizes that its new dynamic and results-driven culture, focused on efficiency and meritocracy, may not be the perfect fit for every employee," according to a statement from Michael Mullen, senior vice president of corporate and government affairs. "Consequently, we have decided to provide a generous opportunity for eligible employees to leave Heinz with enhanced severance benefits."

Berkshire Hathaway and 3G Capital took Heinz private in a [\\$23.3 billion deal last June](#) [2]. Heinz cut 600 North American jobs in August, including 350 in the Pittsburgh region, and in November announced plans to close three plants in North America and cut another 1,350 jobs in an effort to operate more efficiently.

However, the company also announced it would invest in its remaining facilities and add 470 positions at five factories in Ohio, Iowa, California and Canada, leaving Heinz with roughly 6,800 North American workers.

Despite the company's assurances, Point Park University business professor Elaine Luther believes the buyouts could mark a shift of power from the company's Pittsburgh roots. The company was founded in nearby Sharpsburg in 1869 and moved to Pittsburgh in 1890, though it wasn't officially incorporated until 1905.

"If they're just offering it to Pittsburgh, it sounds like something other than a corporate culture change," Luther said, who predicts the Pittsburgh region will lose Heinz jobs overall.

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### **Links:**

[1] [https://twitter.com/HeinzKetchup\\_US](https://twitter.com/HeinzKetchup_US)

[2] <http://www.foodmanufacturing.com/news/2013/06/3g-shuffles-ceos-completion-heinz-deal>