

CHINESE WORKERS LOSE JOBS AFTER HP'S DECISION



In what local workers and the Chinese media have begun to call the “winter chill” of the electronics industry yet another Chinese electronics maker has begun to lay off their workers in order to stay fiscally solvent. Inventec, a company that frequently contracts out to make the devices that are created by the American IT firm HP (Hewlett-Packard), said that it was getting ready to lay off 400 employees. The actual layoffs will take place next month. This announcement comes close on the heels of a recent layoff plan was released by Quanta. Quanta, which makes electronic components and computers, stated two months ago that they would be letting go almost 1000 workers from their facilities in September. So, even as computer companies do well, it seems that the people making them still have to deal with the ins and outs of the market. Why is Inventec getting rid of staff? Well it turns out that thanks to a business decision over at HP the staffers are no longer needed. HP made a recent decision to scrap its plans for a new tablet PC. The loss of this project means that up to 432 employees of the company could be made redundant. As it turns out the Chinese layoff system is very different than the American one. In America when a company lays off staff the government has little to do with it, short of managing the unemployment insurance benefits. In China Inventec has to submit a report about the layoffs to the government for the city of Taipei. The city will then investigate the claims that have been made in the report. If the city of Taipei decides that the claims made in the report were false then the city can make the company take back some or all of the laid off staff. In addition the company could be fined as much as NT\$300,000 if they choose not to comply with the reinstatement order. Apparently the government is also proactive about layoffs. When the plan was announced Labor Standards Division Chief for the city of the Taipei sent a request to the company for more information, so that he could make a complete investigation of the planned layoffs. As per the Labor Standards Division regulations the company must help the employees to find new jobs within the organization, if it is at all possible, though there is no word at this point if that will actually happen, since the company scaled down in response to a clients change of heart. The tablet that started all of this fuss in the first place is the HP webOS tablet computer. The webOS tablet was pulled from the market for a head spinningly short amount of time, less than three months, for poor performance in the market. There have been some rumors, substantiated but not confirmed by the statements of HP employees, that the company is dropping webOS altogether and instead intends to make a line of (or at least a single) Windows 8 tablet, after the new operating system is released some time in 2012.

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