

## INVENTEC UNDER INVESTIGATION FOR LAYOFFS

英業達 **Inventec** Some of you may remember our previous coverage about the planned layoffs of the Chinese company Inventec Corporation. Well, they are under investigation. Here is the short version of the issue at hand. “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.” (Excerpted from coverage right here on Layoff Watch.) Now, here in America this would simply be the end of the matter. The positions would be eliminated and the workers would be out on their own, in search of new work with nothing but unemployment benefits to help get them through the lean months ahead. In China however it is a vastly different matter. Layoffs are a matter of law and companies do not just get rid of staff without answering to a government official. In order to layoff workers a Chinese company, like Inventec, has to submit a report about the layoffs to the government for the city where the physical plant and the displaced workers reside, in this case it was the city of Taipei. If the city believes that the layoffs are not needed or that the company is being dishonest then some serious penalties can be applied. The company can be forced to take back the some of all of the members of the staff that they laid off. In addition the company can be fined as much as NT\$300,000, should they choose not to comply with the reinstatement order. Well, as it turns out the investigations were opened and the company has been found to be at least partially in the wrong. According to an investigation by the Chinese government the company was found to be wrong in firing about 40 percent of the 432 workers who were laid off. The government came to the conclusion to the fact that these firings were unrelated to operational issues. “...148 may have lost their jobs for reasons other than those stated by the company when it notified the city government of the layoff plan in late October”, according to a statement made by the Department of Labor (DOL) Commissioner Chen Yeh-shin. While the company could be punished quite severely for its actions the government chose to hold off on deciding what their fate would be after the company released an emergency statement late Monday. This made the Department of Labor officials decide to give the company a two-week extension. During this extension the company will have to give an explanation for the unexplained portion of the layoffs. Failure to submit a compelling reason for the layoffs will mean that company can be hit with two hefty fines: one for the wrongful termination and one for giving wrongful information to the Department of Labor. During this time employees are also allowed to submit evidence of their wrongful termination. Some workers hope to be reinstated while a select group of others want to simply have an early retirement.

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