

NEW PROCESS GEAR INC. SENDS LAYOFF NOTICES TO ALL WORKERS



The odds are good that unless you work in the field of car parts manufacturing that you have never heard of New Process Gear Inc. in your life. You may however have heard of its parent company, Magna International Inc. For those of you who have not heard of the parent company here is a look at how they [describe themselves](#), “We are the most diversified automotive supplier in the world. We design, develop and manufacture automotive systems, assemblies, modules and components, and engineer and assemble complete vehicles, primarily for sale to original equipment manufacturers (OEMs) of cars and light trucks in our three geographic segments - North America, Europe, and Rest of World (primarily Asia, South America and Africa).... We have 294 manufacturing operations and 87 product development, engineering and sales centres in 26 countries on five continents as of Q1 2012.” For a company this large shutting down a single facility is not the end of anything large, after all it is just one more cog in the corporate machine, a cog that is not turning the way that they would like. To the 406 workers, all of whom’s jobs are based in the city of Syracuse, who are soon to be out of job however this is a much larger issue. As you can imagine putting 406 people out of work at one time can have a significant impact on the surrounding community. In order to reduce that impact the government has qualified certain job cuts as mass layoff actions. These actions require the company to give workers extra notice time. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the federal government [defines](#) the term, “...mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days.” The extra notice time for a qualifying event is designed to help workers find jobs before they are laid off. In this case the company will not actually be able to begin the layoffs until the 20th of August, according to the notice that was filed with the Department of Labor for the state. The company did not mention if this date will, or will not, be the actual shut down date for the plant or if the company will be keeping the plant open at a reduced capacity longer than this. Interestingly enough it seems that Magna International Inc. is actually a fairly healthy company. In its most [recent report](#) the company showed, “...posted sales of \$7.7 billion for the first quarter ended March 31, 2012, an increase of 7% from the first quarter of 2011. We achieved this sales increase in a period when vehicle production increased 17% in North America and decreased 7% in Western Europe, each relative to the first quarter of 2011. Our North American, European and Rest of World production sales all increased in the first quarter of 2012 relative to the comparable quarter in 2011.”

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