Aptiv Layoffs: Will other companies follow suit?

<u>Sylwia Pyzik</u>

1 marca, 2024

Last week, the Krakow-based company, Aptiv, laid off over 200 people in less than an hour. There are strong signs that this is not the end of reductions in this sector in Krakow. Therefore, it is not surprising that the industry is wondering whether the end of the "Eldorado" era has come for the Polish IT industry.

The technological giant, which is listed on the New York Stock Exchange and specializes in solutions for the automotive industry, laid off over 200 people overnight. Aptiv employed over 5,500 people in Poland, including over 2,000 engineers and 1,000 specialists in the Krakow R&D centre.

On the other hand, according to a report prepared by Motife, Aptiv ranks third in Krakow in terms of employment in the IT sector. Only HSBC (2,500) and Comarch (2,400) have more employees in this sector.

A Surprising Move

"They hosted a grand concert, and two weeks later froze all expenses because 'difficult times are coming.' So what was the point of that show?" asks one of the laid-off employees.

"The managers were instructed from above to escort each person out, and they carried out this directive like faithful soldiers, despite its demeaning nature. We were supposed to vacate the premises by 1:00 p.m.," recounts another employee. After the layoffs on February 19, Aptiv continues to terminate contracts with employees. However, the company no longer does this collectively but individually.

Despite these layoffs, on the Aptiv website, there are 42 job offers available at the Krakow branch. Among them, you can find positions such as Certification Engineering Intern, Junior OTC Contract Administrator, Intern Analyst: Contract Management, PTP Junior Accountant, and System Engineering Intern.

How did the IT community react to the layoffs at Aptiv?

An interesting source regarding the industry's response could be a Facebook group called Problemy Polskiej Branży IT (Issues of the Polish IT Industry).

"What's with all the fuss about Aptiv?" wonders one of the users.

"It's a tough situation because people lost their jobs. But in my opinion, the company handled it as best as it could, both in terms of organization and the affected employees. It was a clean, swift cut, which will stabilize the situation in a week, and everyone will forget about it in a month," reassures a user in a post, explaining that if each employee had been invited to individual meetings, others would have anticipated the outcome.

So far, 156 comments have been posted under the thread. Among them, there's a thread suggesting that employees should have formed a union earlier. In this context, several users refer to the issue of Sii Poland.

Polish State Labour Inspectorate

The Polish Press Agency reported that the Polish State Labour Inspectorate will conduct an inspection in the Krakow branch. The request for an urgent inspection was issued by MPs from the social democratic Together party: Daria Gosek-Popiołek, Adrian Zandberg, and Maciej Konieczny.

Aptiv informs on its website that it employs over 5,500 workers in Poland – in Jeleśnia and Gdańsk, where production plants are located, as well as in Krakow.

Legal Issues

The company assures that it acted in accordance with the law. Aptiv assures that the layoffs at its Krakow branch were conducted in compliance with regulations. However, the company did not respond to inquiries about the number of affected employees and declined to provide detailed information on the matter. In a statement, the company informed that it "continues to optimize its business foundations and focuses investments in areas that will support clients from various industries in powering the future defined by software."

"The process of changes began in January and involved actions regarding collective redundancies, initiated in accordance with Polish labor law. On February 19, notices were served to some employees in accordance with applicable regulations. On the same day, employees were granted leaves and released from the obligation to work," the company stated.

At the same time, the company announced that there would be further changes "in some business units and corporate functions." The company publicly committed to supporting employees during the transitional period by offering severance packages in line with the market and continuation of benefits.