



Home

About Us

Our Work

Reports

Media Center

Get Involved

Resources

Industry Brand Year

Home>Reports

- 2011
- 2010
- 2009
- 2008
- 2007
- 2006
- 2005
- 2004
- 2003
- 2002
- 2001
- 2000

The Unfair Dismissal of Tandy Electronics Co. Ltd Workers

[Download PDF](#)
[+ Share](#)


June 8, 2011

Tandy Electronics Co. Ltd workers have been offered unsatisfactory compensation packages for their dismissal, which fail to calculate average overtime earnings and benefit payouts.

Tandy employees were misled about the coverage and guarantees they had come to expect from their insurance protections

General line workers were not allowed to represent themselves in compensation meetings with Tandy management officials shortly after the closure of the electronics plant was announced.

Tandy management officials first tried to resolve compensation disputes with workers through manipulative means by offering veteran workers an increased compensation package, rather than the originally proposed lower package management still planned to give to non-veteran workers.

Since mid-May, workers at the Tandy Electronics Co. Ltd, located in Huizhou, China, have been on strike protesting the terms of a proposed compensation agreement as part of preparations for the plants closure. Since the beginning of the strikes, workers have protested at the factory four times after compensation offers were deemed unsatisfactory. The largest strike protest occurred on May 28 when approximately 1000 strikers participated in protests.

Tandy Electronics Co. Ltd is a joint venture company founded in 1988 and is the largest wireless equipment manufacturer and supplier for Radio Shack, based out of Fort Worth, Texas. Workers uniforms are imprinted with the words "Radio Shack," though the Chinese side of the joint venture is called the Desay Group. According to employees, the Desay Group is the main supplier for Radio Shack and employs approximately 1600 people to produce radio transceivers, meter instruments, audio equipment, telephone accessories, and other consumer electronics.

Desay Group made the decision to pull out of the joint venture agreement and decided to withdraw from the factory. In turn, Radio Shack also made plans to withdraw capital and close the plant, but the two sides have yet to reach an agreement about worker compensation which has resulted in the strike.

Originally, the company planned to offer employees compensation of a year's salary based on their base monthly wages. However, employees, especially veteran workers, would not accept this compensation agreement, because they believed that the proposed salary calculations were based on a low rate that did not include standard overtime wages or benefits payouts. Employees believed that according to the law, overtime calculations had to include allowances and subsidies and, thus, asked for compensation for the equivalent of one year's salary at

double wages. In addition, veteran workers also asked to be compensated for unpaid benefits. Beginning in 2000 the factory began to purchase benefit packages for workers. Since many had worked at the factory since before 2000, they felt they were being denied what insurance protections they had been led to expect.

Veteran workers have played a leading role throughout the course of the strike. Approximately 200 people have between 10-20 years experience at the factory; some have even worked at the factory since its founding. Many of these employees are now management-level employees and their influence on the rest of the workforce is significant. These veterans act as representatives in meetings with the factory owners and because their livelihoods are entwined with the rest of the workers, they care deeply about workers' rights. If they are unsatisfied with the compensation agreement they can request for other workers to stop working and the whole factory will go on strike.

After the announcement of the factory closure, there were numerous meetings concerning workers' compensation. The labor union took part in these meetings, serving as the main representative of veteran workers. Although general line workers clearly wanted to send representatives, they were not allowed to attend the meetings. At first Tandy management attempted to resolve the dispute through manipulation by secretly offering a deal to the representatives of veteran workers, thinking perhaps to offer them higher compensation while offering regular workers the original proposed terms of compensation. Tandy hoped veteran workers would accept their offer and help quell the unrest among the general employees. However, the veteran representatives dared not sign this agreement because all of the workers had been expecting such a move to happen and veteran workers wanted to continue to have a united front against factory management. Not wanting to offend the general workers population or put themselves in danger, the secret negotiations were exposed and the company was again forced to engage with all workers over compensation matters.

On May 31, employers sought the views of employees again in regards to a compensation plan which offered workers 1.5 times their annual wages for a year and additional benefits payments for those veteran workers who had been with the factory since before 2000. 90% of the factory employees signed onto this agreement. The factory is soon to announce the formal decision to begin letting go employees, with reports indicating that most workers will be laid off by June 10th. On June 1, two companies took advantage of the plant closure to recruit workers near the Tandy factory, including a distant factory from Jiangmen city.

This report summarizes ongoing protests taking place at the Tandy Electronics Co. Ltd, located in Huizhou, China. These protests are indirect response to the announced closing of the plant and insufficient compensation packages presently offered to plant employees. This report offers readers a glimpse of China's current labor situation and the often tenuous relationship between factory management and factory workers.

[download](#)

[Home](#) | [About Us](#) | [Our Work](#) | [Reports](#) | [Media Center](#) | [Get Involved](#) | [Resources](#)

147 W 35th Street , STE 406, New York, NY 10001

Tel 212-244-4049 | Fax 212-244-4146 | clw@chinalaborwatch.org