WARN Act Business Ethics and decision-making; analysis of HR Law

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**Case summary**

A local textile plant having 100 full time workers along with 12 part time with 6 managers. All employees are salaried. The company was facing issue since last five years and now it lost of if its major client. They were struggling to recontract from last 6 months, but it was collapsed in 2 days. Company was short of cash even to pay for worker’s pay for previous two working weeks. The company called a meeting and announces about the closing of unit and terminated hourly workers in next 2 days and managers will get pay for net 2 months as they need to help closing unit. It was not easy for employees to get new job as it was not a big community and they did not get any compensation and unit closed without any prior notice.

**WARN Act**

“The Worker Adjustment and Retraining Notification Act (WARN) protects workers, their families and communities by requiring employers to provide a notification for dismissal at work 60 days in advance to affected workers and local representatives of the city and state, for the closure of a factory / production plant or for a mass dismissal(eCFR - Code of Federal Regulations) . Advance notification of a job termination provides affected workers and their families, preparation time for job loss, time to find another job and, if necessary, time to receive training in another job skill or receive retraining to update their job skills and be able to compete successfully in the job market.

**Case evaluation under WARN Act**

The management’s human resource plan for the immediate plant closing was not correct plan. Ethically he give prior notice to close down any plant. Under WARN act , when the employer notifies its employees that they will be affected by the closure of a factory / production plant or by a mass layoff, the employer must use a specific method to notify its employees, that it is reasonable and that it ensures that they will receive the notification properly about the dismissal at work 60 days in advance but in this case employers not informed even they were terminated without any advance payment. In this case employees can file a case against employer and company under WARN act for compensation otherwise he will face fine.

**Potential pros and cons of giving employees 60 days advance notice of a plant closing.**

They can search for new job as it is not easy to get new job easily

They can manage their next month if they don’t get any job

If any training required for new job ,they can complete it

Some classes or courses can be completed to enhance skills in search of new job.

Can decided between jobs and decide best for them.

**How to comply with the requirements of the WARN Act?**

When the employer notifies its employees that they will be affected by the closure of a factory / production plant or by a mass layoff, the employer must use a specific method to notify its employees, that it is reasonable and that it ensures that they will receive the notification properly about the dismissal at work 60 days in advance, (example: postal mail, personal delivery with the option of a signed receipt, etc.). Also, another way to do this is to include the notification of dismissal in the envelopes of paychecks; however, a printed notice that is regularly included in each worker's paycheck envelopes does not meet the requirements of the WARN law. (Noah, 2012).

WARN notification required for the closure of a factory / production plant or a mass layoff. The closure of a factory / production plant that affects 50 or more employees for a period of 30 days in a workplace. Dismissal within a 30-day period that includes between 50 to 499 full-time employees, who are part of at least 33% of the workforce in a workplace. The dismissal of 500 or more employees is included regardless of the percentage of the workforce. The closure of a factory / production plant, dismissal or relocation of 50 or more employees within a period of 30 days regardless of the percentage of the workforce. Relocation is defined as the act of moving to continue working with the same company, in a different place that is located more than 100 miles away. (Yavitz, 2012).

**Employer Responsibility**

A manager who disrupts the WARN law is responsible for paying every worker an amount equal to the salary that the worker could have earned in the period of the violation and the health benefits, for the “time duration of the violation of up to a maximum of 60 days, but not more than half of the number of days the employee was working for the employer” (Kenny, 2008).

A daily fine of $ 500 for each day of the violation may be applied to the employer. Employees can receive a retroactive payment for the days that the employer fails to submit the notification of dismissal to employees, which must be paid at the level of the amount of salary / salary the employee earned at the time of dismissal or the average of salary / salary paid to the employee for 3 years, whichever is higher. In addition, the employer is responsible for the medical cost incurred by each affected employee, who was not protected by a health plan provided by the employer during the period of the violation. The employer is responsible for the violation period of up to 60 days or one half of the number of days the worker was employed, whichever is smaller.

Conclusion

WARN Act is really important act that goes in favor of employees for the security of their next 60 days after unit or plant closing . As it is not easy to find new job and employee need to have some resources to run their family till, they get new job.

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