



“A Tale of Two Layoffs” – Union vs. Non-Union
Pacific Gas & Electric Company.

Layoff #1 – ESC Local 20 represented employees, 2009

In July 2009, PG&E management approached ESC Local 20 confidentially about the alarming drop in workload for the Service Planning department. PG&E described that due to the recession and especially the decline in housing and commercial development, work had dried up for Estimators and Senior New Business Representatives who coordinate and design service for these types of projects. PG&E presented a staffing plan to the Union calling for approximately 90 layoffs.

The Union responded by asking for documentation of lack of work and how the number to be laid off was derived. ESC developed and presented a plan of mitigation, including asking for voluntary severances, allowing some leaves and job sharing, and bringing in new work streams. At the same time, both the Company and Union began to prepare for implementing the contractual reduction, displacement and layoff procedure. The first public announcement of the situation was in September.

In December, the contractual process was implemented, providing for more senior employees targeted for layoff to choose relocation over layoff (“bumping”). Affected employees were also able to transfer into vacancies in other jobs they were qualified for or had previously held. Mitigation talks continued, and although not all of ESC’s proposed measures were adopted, the number of employees finally scheduled for layoff was reduced to 57. Employees displaced to other work locations are given priority to return to their previous work location under the Union contract.

ESC managed to get the layoff date moved to January 4, 2010, providing for an additional General Wage Increase prior to layoff, and for a longer notification and preparation period for affected employees. In the end, laid off employees actually received 3 months’ notice prior to layoff. The Union also helped each laid-off employee enroll in the Union’s hiring hall, a source of temporary employment, and many of them returned to work as Hiring Hall temp’s within 6 months of layoff.

Due to the union contract’s rehire period, when workload recovered in late 2010, the laid-off employees were first to be rehired to their previous positions. Every laid off employee was rehired within 12 months of layoff, except for one person who found another job and chose not to come back to PG&E.

Layoff #2 –Non Union, IT Department, 2010

In November, 2010, PG&E announced that it was laying off approximately 250 employees in the IT Department. The notice took many employees by surprise. As is typical in corporate America, many employees were informed by their supervisor and, in a few instances, a security guard, showing up with a cardboard box to escort them out of the building. PG&E locked the doors and assigned a security guard at one office building in San Ramon.

Upset employees who called ESC reported that in their departments, long-term employees were let go while new hires were retained. No rationale was given for the size of the layoff or for who was selected for layoff.

PG&E does have a “45-day redeployment pool” in which employees can remain nominally employed while attempting to find another position within the Company. However, since they are not allowed on PG&E premises, it was difficult for many employees to access potential opportunities. Following the layoff, it does not appear that PG&E tracked these employees or offered to rehire them, even if PG&E was re-filling the same positions.