

■ Case Highlights ■

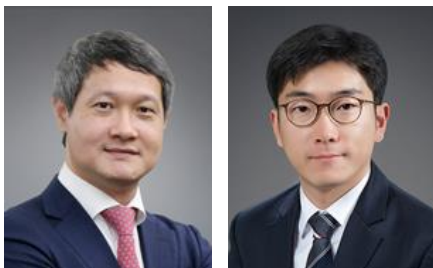
Successful representation of an employer in a case involving legitimacy of a new personnel system entailing wage cuts for former managers

Upon being criticized for careless management from the government, a public institution adopted, with majority consent of the labor union, a new personnel system which applied to former manager-level employees, resulting in wage reduction. The employees thus affected claimed for confirmation of invalidity of such personnel appointments and for differences with the wages they would otherwise have received had there not been such changes in position.

JIPYONG successfully asserted and demonstrated on behalf of the employer that the reduction in the plaintiffs' wages was caused by changes in the personnel system, which was necessary for sound operation of the public institution, was valid since the majority consent of the labor union was obtained, and the level of wage reduction did not exceed the level ordinarily expected to be borne by the plaintiffs.

The first-instance court accepted the employer's assertion and dismissed all of the employees' claims on the ground that the changes in position of the employees are justified as they resulted from changes in the personnel system, which was likewise recognized and dismissed by the appellate court.

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