

South Africa, Huawei unit reach out of court settlement on hiring

South Africa's labour department and a subsidiary of China's Huawei Technologies have reached an out of court settlement on local hiring rules, they said in a joint statement on Tuesday, 15 March.



Customers and workers are seen at a Huawei store at Sandton City mall in Sandton, South Africa on 16 February 2022. Reuters/Siphiwe Sibeko/File Photo

Authorities took Huawei Technologies South Africa to court in February, saying it fell short of a requirement for 60% of its workers to be South African and sought a fine of R1.5m (\$99,300) or 2% of the unit's annual 2020 turnover.

The department had also asked the court to force Huawei to draft and implement an employment equity plan to hire more local workers after it discovered that foreign nationals make up nearly 90% of Huawei Technologies South Africa's workforce.

But the two parties later agreed on negotiating a possible out-of-court settlement.

The department has accepted Huawei Technologies South Africa's employment plan to raise South African representation

to above 50% within three years, especially from designated groups as defined in the country's Employment Equity Act, the joint statement read.

In addition, to address South Africa's digital skills gap, the two parties have agreed to collaborate on offering courses on information and communications technology (ICT) to the unemployed, they said.

The development programme, which includes internships, will run over the three years of the employment equity plan, and draw on candidates from the designated groups, especially women and workers from rural areas, they said.

This "fosters a public and private partnership that facilitates the transfer of skills, while also addressing the issue of unemployment by creating jobs in the ICT sector," said Advocate Fikiswa Bede, chief director of statutory and advocacy services at the Department of Employment and Labour.

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