

Good news and bad news

Final layoff notices at Seagate; About 260 lose jobs

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SCOTTS VALLEY — Final layoff notices have been given to Seagate Technology Inc. employees.

Mixed with laments of those laid off, however, was some relatively good news. About 260 employees — half the company's original estimate of 500 — lost their jobs as a result of the corporate merger and realignment between Seagate and San Jose based Conner Peripherals Inc., according to Woody Monroy, Seagate spokesman.

The bad news: a lot of those who still have their jobs will have to drive to San Jose to work. If they decline the transfer, they will be laid off.

The layoffs, first announced in April, were completed Friday. Altogether 260 regular employees in San Jose and Scotts Valley were laid off; 150 of those were in Scotts Valley.

Another 80 temporary workers in the two locations also had their jobs eliminated. Monroy said he didn't know how many of the temporary workers were in Scotts Valley.

Monroy said the layoff blow was softened from original estimates because the company was able to place a number of employees in others positions with Seagate and offer transfers to San Jose. In addition, the company has positions open in Longmont, Colo., and Simi Valley.

"It was just the result of getting in and beginning the integration of the two companies," said Monroy. "We said going into the merger that it wasn't about downsizing. It was about positioning the company for future growth."

The job eliminations are the result of the merger of Seagate and Conner engineering staffs. Seagate acquired the rival disk drive manufacturer for \$1.4 billion in stock. The deal,

which made the Scotts Valley company the largest computer memory storage firm in the world, was completed in February.

In addition to the layoffs, the disk drive maker will transfer several operations, including production and research and development, out of Scotts Valley, which will continue mainly as the company's corporate headquarters.

In April, before the layoffs and transfers, Seagate had about 1,581 workers in Scotts Valley. Monroy said Monday he didn't know how many remained.

Those who work at the corporate headquarters office in Scotts Valley include employees in human resources department, corporate finance, communication, marketing communication and environmental health and safety and information technology.

The chip design and disk drive motor groups will also remain.

The company's disk drive production, design and quality groups, along with engineering, will move to San Jose.

The company said in April that everyone would know by May 31st whether they were to be transferred, terminated or remain in Scotts Valley.

Despite individual letters, however, some employees were still unclear.

An engineer said Monday that he and the other engineers in his group were notified that their positions would "probably" move to San Jose by Aug. 30. "Basically, the letter says we'll get another letter," he said.

The engineer said he had planned to decline a transfer to San Jose, if offered, because he didn't want to "go over the hill" to work. Instead he was going to find another job and accept Seagate's severance package.

Now if accepts another job before the end of August, he'll lose the severance pay, he said.

"I'm in limbo."

Monroy said, however, that the letter the engineer referred to was a firm offer to transfer, despite the qualifying "probably."

"They can count on having a position. That's my understanding," Monroy said.

Some Seagate employees praised the way the company handled the layoffs and recalled similar past layoffs that were far rougher. The company's last major layoffs were in 1991, when 1,650 workers were let go worldwide, including 600 from Scotts Valley.

"This time it seemed they planned it better," said a temporary employee who kept her job. She had been abruptly laid off by Seagate in 1984, and rehired as a temporary worker. "At least this time people knew, one way or another. That was good."

"I wouldn't say people are disgruntled," said an engineer who will be transferred. "They're upset of course. But it's the nature of the beast. You just accept it."

Jeff Muetting, a Scotts Valley resident and Seagate engineer for the past six years, is among those employees who received a transfer to San Jose.

"The good news is that I have a job. The bad news is that I have to commute," Muetting said.

Despite the layoffs, Seagate has added to its worldwide workforce. At the time of the merger, there were 83,000 employees between the two companies. Worldwide, the total is now 87,000, said Monroy.

U.S. operations in Oklahoma, Minnesota, Colorado and Simi Valley are growing, and positions are open in those places to laid off Scotts Valley employees, Seagate recruiters have been able to match employees to other facilities.

The company will also hold a job fair in San Jose on June 20 with more than 90 Bay Area companies.