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Leeno Industrial Employees Form Union

For the last 19 months, Bishop has reported on double and even triple-digit growth in the semiconductor industry. Semiconductor Industry Association (SIA) President and CEO John Neuffer recently stated, "the global semiconductor market continued to grow substantially in May, hitting the highest-ever recorded monthly sales total and increasing on a month-to-month basis for the 15th consecutive month." What about the companies that support these semiconductor manufacturers? How are the companies that produce semiconductor test equipment and sockets weathering this flurry of activity?

In early July, Leeno Industrial, a Korea-based publicly traded manufacturer of connector components for IC production, test, and analysis, as well as other semiconductor materials and equipment, announced that the company was in the process of reviewing its order acceptance policies. Strong demand for its products, especially "proprietary products, the LEENO IC Test Sockets and Spring Test Probes," has led the company to build a new production facility in Eco Delta City in Myeongji-dong, Gangseo District, Busan, anticipated to be completed in November, and plan for an increase of around 30% in employee count. However, the company noted it was more important to complete orders that had already been accepted, rather than accepting a slew of new orders. This decision is especially significant, since the company's workers recently formed its first labor union in March and labor talks were in process.

Leeno Industrial headquarters in District of Busan, South Korea
(Image: Leeno Industrial)

A supplier to Samsung Electronics, Qualcomm, TSMC, SK Hynix, NXP, Analog Devices, as well as many others, Leeno is now in a precarious position. On July 23, 2026, the company's workers entered a labor strike, with almost half of the company's total employees participating. With an estimated two billion Korean won per day ($1.398 million) at stake, the company may not be able to fill the orders that are presently on the books, let alone prepare for an increase in future business.

What is interesting about this strike is what the employees are demanding. With company revenues reaching 372.5 billion won ($262 million) in 2025, and operating profit at approximately 177 billion won

($123.7 million), producing an operating margin of 47.5%, the company had already increased aggregate employee pay by over 35%, with the company reporting average annual wages of 117 million won ($81,800), along with hefty performance bonuses. But this is not the only thing the union is asking for. *The Chosun Daily* reports that, in addition to a change in the wage structure, the "union further demanded prior agreement with management on corporate splits, mergers, restructuring, dissolution, asset transfers, factory relocations, new facilities, automation, technology adoption, and outsourcing. It also sought union consent for appointments of union executives, officers, delegates, and full-time staff, as well as prior agreement with individual workers for transfers or reassignments" — all issues that management is not willing to negotiate on.

From a financial standpoint, the union "seeks a regular bonus of 400 percent, performance bonuses of 300 percent each for the first and second halves of the year, a separate year-end management performance bonus, and a bargaining settlement payment — available only to union members — to compensate for wages lost during the strike," according to the Herald. A key issue in this situation is the opening of the new facility in November. In addition to just adding additional production space, Leeno plans on consolidating production, installing additional machinery, and increasing the number of orders on the books, all while satisfying existing customers — operations only feasible with experienced employees.

As of August 3, Leeno and union representatives have met nine times, but unfortunately, have failed to reach any type of agreement. With no strike timetable announced, and the company still capable of filling orders it has already accepted, Leeno still has room to resolve the dispute before it becomes a critical issue. With less than 15% of South Korea's overall workforce unionized, and Samsung, the largest employer in South Korea, reaching a major agreement with its union, in late May, it will be interesting to watch how growth in the markets key to artificial intelligence govern the way companies compensate and work with their employees.

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