

Not quite 'pap and vleis'

McDonald's in South Africa

In 1955, Ray Kroc opened the first McDonald's restaurant. Today McDonald's is the world's largest and most recognisable fast food chain. It has 28 000 branches in 120 countries.

Forty years after Kroc, the first McDonald's opened in South Africa in November 1995. At present, 100 restaurants operate in eight provinces. Gauteng alone has 46 branches. South Africa has been one of McDonald's most successful markets. Thirty restaurants were opened in 23 months, ten of those in 78 days.

Thinking of opening up a McDonald's? You would need a start-up fee of R1-million.

Why McDonald's?

But McDonald's is not just a fast food restaurant. It represents much more.

McDonald's has been a target of pro-Palestinian demonstrators in Cape Town, of anti-globalisation protestors in Prague, of unhappy French farmers in Paris, of participants in May Day activities in London and of unionists demanding collective bargaining agreements in Auckland and Moscow.

McDonald's has hit back. In the United Kingdom (UK), it sued two environmentalists for libel. These environmentalists handed out pamphlets making accusations that the restaurant chain disputed. The case, known as

Chris Bolsmann and Etienne Vlok establish what goes on underneath the 'Golden Arches' of McDonald's.

McLibel, is the longest running civil case in UK history."

So is McDonald's an unfair target? According to a recent book, *Fast Food Nation*, McDonald's serves meat originating from dairy cows that are fed horse, pig and poultry remains. Other accusations, such as the use of addictively high amounts of salt and sugar, exist.

McDonald's has also been accused of union-bashing tactics around the world. Recently, it was linked to CityToys, a factory in Shenzhen, China, who employed children as young as 13 years, paying them R20 a day. These children produced the toys that McDonald's gives out with its children's meals.

McDonald's symbolises the spread of multinational corporations' impact and the increasing effect of globalisation on all of us. Based on the significant role that McDonald's plays, we interviewed the manager of one of the largest branches in South Africa. Our questions were on McDonald's employment practises, its work organisation, and its industrial relations.

The union that organises the catering sector is SACCAWU. Therefore, we got its response to McDonald's answers. SACCAWU, with a membership of 120 000, does not have any members in McDonald's.

Employing people

The first thing you notice when you go to McDonald's is that almost all the employees are young and black. Why is this? 'We hire mostly black people because it is cheap labour and they need the jobs,' replies the manager. 'I have worked with white kids in South African restaurants. To be honest, they do not want to work. They do not want to get their hands dirty and are afraid to work.'

The manager, who has more than ten years experience in the industry, knows who he wants when he employs: 'I want someone who can speak very good English because it is an English-speaking environment. I also want attractive, young people. They have to be over 16 years. Young people are more energetic. People who are about 35 do not want to be promoted and McDonald's is a dynamic environment. If you have two restaurants with ugly people in one and attractive people in the other, you are going to eat where the attractive people are. I do not mean to discriminate. It is just a fact of business.'

When someone is employed, he or she has to get a medical certificate to show that he or she is not carrying any major diseases that could threaten food handling. The manager insists that McDonald's does not check for HIV/AIDS.

The manager shows new employees how things work. They then do a crash course on McDonald's policies, receive a book on hygiene and work with an established worker for a few weeks.

Employment contract

All workers start as part-time crewmembers and are then promoted to full-time, depending on the needs of the business. When McDonald's employs someone full-time, his or her wage is R9,45 an hour. On top of that, workers are entitled to a meal every day and get a funeral benefit. Once you become a manager trainee, you receive other benefits, such as medical aid.

Part-time workers work 20 to 25 hours per week. Full-timers are guaranteed 40 hours per week – five 8-hour shifts. McDonald's has two shifts: a morning shift until 4pm and a night shift. This manager likes to have more part-timers because it gives him 'flexibility in scheduling'. He tries to give workers only two night shifts a week. 'If I had to give someone five night shifts, they would complain to the company's human resources department.'

Mduduzi Mbongwe, deputy general secretary of SACCAWU, disputes this. He accuses McDonald's of signing three-month contracts with its workers. 'McDonald's does not have permanent staff.'

The manager explains: 'When you employ young people, they often go onto different things – university, college or a job that pays more. We do not have a high monthly turnover. I never hire more than three people at a time, four times a year.'

Work organisation

Ray Kroc, McDonald's founder, is famous for his statement 'If you've got time to lean, you've got time to clean'. So, what happens inside McDonald's?

If there is a problem in the restaurant, the relevant wing manager must identify the barrier to service. 'When someone is a bit slow, we try to find out what the reason could be. It is often because people are not trained properly or pushed into a

position too soon. It could also be that there is something wrong with the person on that day,' explains the manager.

If you are in a McDonald's and you look beyond the counter, you will see boards with targets and records. These and the systems McDonald's uses come from the United States. The targets concern the number of cars that pass through the 'drive-thru' in an hour and whether 'drive-thru' customers immediately receive their orders once they reach the final window. According to the manager, the targets, along with incentives and competitions, try to make the restaurant a fun environment in which to work. 'I personally think there is too much of this. People lose sight of what they are supposed to be doing.'

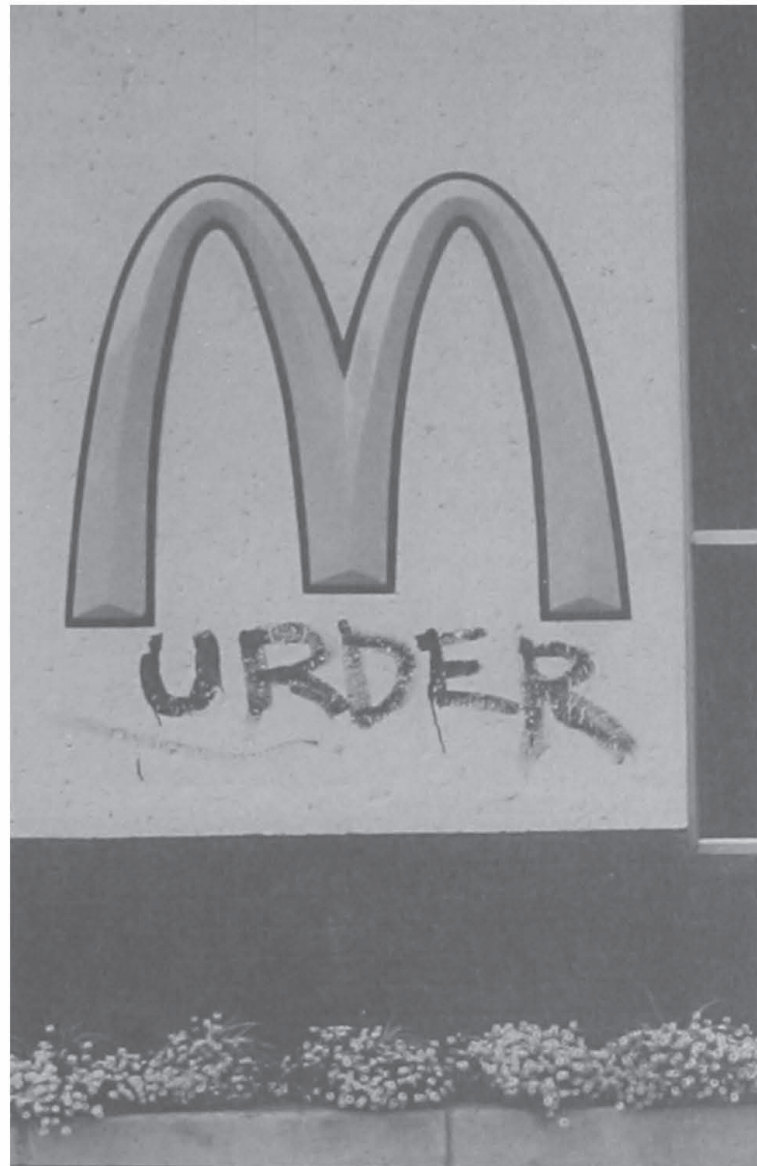
Industrial relations

SACCAWU regards McDonald's as the worst multinational in the fast food sector in terms of industrial relations and dealing with trade unions. In this section, we look at the relationship the manager has with his employees and his attitude to unions.

Relationships

'I have an "open-door day" when I am available for staff to discuss their problems with me. I will look at it from the management's and the worker's point of view. I am more of a councillor.'

Each restaurant has a 'rap session' three times a year: a consultant from another restaurant will sit down with the workers only. The workers then give their opinions on different aspects of the restaurant. The manager then gets a report of the meeting



McDonald's in Auckland Park, Johannesburg was a recent target.

and has to come up with an action plan to solve any problems.

Incentives are an important part of good relationships for this manager. 'If it is quiet and going well on a Saturday afternoon, I will announce that the person with the cleanest work area will receive a prize. An hour later, I will inspect the areas and give the winner one of the new ice cream desserts or some lottery tickets. They love it. The first week I did it, six people won. If it is a full-timer, I might give him or her the rest of the day off. Cash incentives are normally the best as "money talks". I would take R50 from the petty

cash and ask "Who wants this?" and you will see a transformation.'

The manager regards the benefits of incentives as increased productivity, increased morale, and loyalty. He explains: 'You have to be clever and that is why I get on well with them. We have outings to a resort. We provide footballs, braai meat and beers. There is music on.'

'It is the way you treat your staff. If you look after your people and are good to them, then they will see that and help in any way. If you are always messing them around, they will not care and just walk off. It is down to the relationship you build with your staff,' continues the manager.

What happens if someone is not performing? The manager says that he does not get rid of a worker who cannot keep up. 'You can put them on a performance improvement programme for a month. If they still fall short, then you could get rid of them. However, it is very rare that our human resources department would allow you to do that. They would rather identify the problem and try to solve it. If you think of the cost involved in hiring people, training them and providing uniforms, it is an investment. It saves more money to get the person retrained than to sack them.'

Dumisani Dakile, SACCWU's regional organising, campaigns and collective bargaining unit coordinator, does not believe this: 'It is not true that they go for intensive training. Because of the nature of this industry, workers do not require a lot of training.'

Dakile also does not believe in the use of incentives. He says that incentives do not work. 'You can put incentives there but it is not workers who say customers must come in. Workers do not have any control over this issue. As time goes on, workers will realise that there is a carrot but that they have never been able to get it.'

No place for unions

Dakile doubts whether McDonald's adheres to labour legislation. 'If you look at the hours workers work there, it does not adhere to the BCEA. Workers are supposed to work 45 hours but at McDonald's they sometimes work more than 12 hours a day.'

However, according to the manager, the human resources department at McDonald's head office checks up whether the restaurants adhere to the legislation. This department looks after employees' rights. Each manager has a labour relations handbook and attends a seminar on labour legislation.

Dakile continues: 'McDonald's also does not adhere to the issue of freedom of association. We do not have a single McDonald's organised. Internationally, it is also not easy to organise McDonald's.'

The manager confirms that unions do not organise his restaurant. No unions have even approached his restaurant. 'I do not know how we have managed to keep unions out but I am happy about that. Organising the workers never really comes up. However, I will not dismiss people if they started organising. It would not be my right to do so. I would possibly tell the franchise owner about it.'

'Normally unionisation only happens because you have problems and people are unhappy about working conditions. So, identify the problem before it gets to that stage. A lot of the workers are happy with their job. They work in a clean warm environment, get regular wages and go on outings. They are my workforce and without them, I am nothing. I have to keep the workers happy,' explains the manager.

It is clear that McDonald's adopts a human relations approach to management. This approach supposedly emphasises the needs of the employees. It is in line with McDonald's vision to 'be the best



McDonald's represents much more than a fast food restaurant.

employer for our people in each community around the world'. Yet, what emerges is a picture of a paternalistic, union-unfriendly working environment.

How does SACCAWU counter this approach where the manager looks after the employees? According to Dakile, 'some workers tell you they do not need a union. Three months down the line, they phone you. As time goes by, they realise that there is a need for a union.'

SACCAWU and the sector

According to SACCAWU, it is not easy to organise in the restaurant sector due to a few reasons: firstly, people from neighbouring countries are employed in this sector. It is difficult to organise those workers as management often intimidates and exploits them. Secondly, the sector does not have clear structures. Thirdly, workers work abnormal hours. Dakile illustrates: 'This year, we have tried to convene a shopstewards council three times but their

working hours prevent them from participating. Many shopstewards only knock off at 10 or 11pm.'

Despite this, SACCAWU is quite well organised in other fast food restaurants. For example, it is organised in KFC and Steers. SACCAWU also has a collective bargaining agreement with Nando's.

SACCAWU and McDonald's

Why has SACCAWU been unable to organise any of the 100 McDonald's restaurants in South Africa?

Mbongwe attributes it to the three-month contract the workers allegedly sign: 'After three months, McDonald's can renew the contracts. Thus, the workers are vulnerable. If they do certain things, their contracts will not be renewed. The short-term contract is an international thing. It means that employers do not have to go through disciplinary actions when they are unhappy with an employee. They also exempt themselves from the BCEA and

the LRA with short-term contracts. It also means it is difficult to organise McDonald's because of its high staff turnover.'

'McDonald's employs young workers from school who are vulnerable and cannot negotiate a contract. They use South Africa's high rate of unemployment to put pressure on new employees,' adds Mbongwe.

Dakile agrees with Mbongwe: 'If you wait for workers after their shifts, they do not want to speak to you once you disclose you are from the union. The workers sign a contract with McDonald's to say that they are not supposed to be a member of a union.'

In the past, when SACCWU had tried to negotiate with McDonald's, the union realised the company was not in the bargaining council.

Other fast food outlets, such as Nando's, Steers, Chicken Licken and KFC, are all part of the bargaining council. Says Mbongwe: 'When we tried to meet with McDonald's, they dragged their feet to ensure that the workers lost hope or disappeared after their contracts ended.'

Dakile points to another factor that could have attributed to SACCWU's inability to organise in McDonald's. He says the union does not allocate enough resources to organising this sector. 'Only when the leadership of the union takes the sector seriously, will we see something. Sometimes a local organiser will sacrifice whatever appointment they have in this sector to concentrate on another sector. Because of the difficult nature of the sector, the union dismisses parts of it. Some people feel very strongly about this sector.'

McDonald's as a target

As was mentioned earlier, McDonald's has often been a target for different groups.

The manager we interviewed argued that 'It is never justified that McDonald's is

a target of protests. How can you justify going around smashing windows? Most of the people that do this do not know the facts. McDonald's does charity work and is involved in the environment on a large scale. All the packages we use are reusable, recyclable and CFC-friendly. We do not cut down rainforests for cattle. But this goes unnoticed because we do not advertise it. Many of these protestors are people wanting to have a go at America. Nothing on earth epitomises America like McDonald's.'

So will South Africans ever use McDonald's as a target? Dakile does not think so: 'It would be difficult to organise boycotts of McDonald's. It is the cheapest fast food restaurant and it is the only one where children can play.'

Conclusion

We chose to focus on McDonald's in this article because of its stature in the world. Not only is it one of the largest multinationals with one of the most recognisable names, it has a reputation as a union basher, as an abuser of the environment and as a producer of unhealthy food. Yet, this company hides behind its public relations image of being a fun restaurant and a friendly work environment.

SACCWU has an important role to play. It needs to engage one of the world's largest multinationals. Organising it could just mean a moral victory for those fighting the power and influence of multinationals. ★

References

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