



Slung over the entrance of the Snowflake flour mill in Isando is a banner proclaiming "We stand for peace and democracy". The shopstewards at the factory chuckle about it.

"That's Premier's nice talk," says one. "Theirs is democracy of a special type – democracy diluted with the free market." JANE BARRETT* investigates

participation *at* **Premier:** *worker empowerment* *or co-option?*

The focus of this article is an assessment of the Premier Group's 'corporate responsibility' programme (including its human resources policy), particularly as manifest in the Group's food division. What is Premier's agenda, and how do workers in the group see the programme? If one of the key struggles in the Premier food division is now around "degrees of participation", as Food and Allied Workers

Union (FAWU) general secretary Mandla Gxanyana puts it, what form does this struggle take?

Management's stated philosophy is that labour is to be treated as a "resource", not simply as a cost. Group chairperson Peter Wrighton has set the objectives for human resources in 1993 as being participative management and affirmative action. He has

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stated: "We don't just employ people's hands, but their heads" (Premier video: *The Premier Group - seeking solutions*).

A series of what the company calls "co-determination committees" have been established in the food division, each with equal management/worker representation. These include committees dealing with social investment, a feeding scheme, housing, job creation, provident fund, bursaries, management development and training, safety, and literacy. The division distinguishes between these co-determinant spheres of activity and negotiation structures covering group conditions of employment, provident fund contributions, leave conditions, bonuses, and procedural agreements.

The division identifies further issues for consultation (company closures and rationalisation plans, disclosure of information, grading systems, a remuneration structure, and affirmative action plans). Finally, information on the economic and financial status of the company has been identified as an area where there is "an exchange"]

Retrenchment and restructuring

Peter Wrighton caused a stir earlier this year when he tried to join a march of workers to the Premier head office. The workers were protesting against retrenchment. Many Premier workers were outraged, and Wrighton's participation was prevented. A shopsteward comments that Wrighton was attempting to create sympathy towards the protesters, but that ultimately "retrenchment is for profit – that is more production with less people".

MacDonald Motlhake, a full-time shopsteward at the Isando Snowflake factory, believes the bottom line is that ["the company always announces its intention to retrench, and then asks for comment. It basically means a rubber stamp for the company."] He goes on to suggest that if management responded more positively to worker representations on wastage and inefficiency, the retrenchments might not be necessary. However, "when retrenchments come, management will come with all sorts of language to say the economy

is doing this and that." Edward Radebe, a shopsteward at Premier Petfood's Isando plant, adds that while some of the companies in the division are not doing as well as others, "the sore point is that workers are not involved in planning around how to respond to the problems. Some managers are actually causing the drop in production. But it's always the lowest level workers who are made to suffer. Nowhere are managers retrenched."

Radebe is cynical of the redundancy support fund which has been negotiated with the union. "It is for the public," he argues, "just to show that Premier is trying to ease the pain." The redundancy fund operates as a contributory fund from which retrenched workers can draw for a period of up to 12 months. Retrenched workers have the option of drawing from the fund and registering as part of a labour pool which can be drawn on for temporary employment, or of taking a redundancy package.

There is widespread suspicion that the retrenchments and down-scaling are part of a longer term strategy of restructuring the food division. Gxanyana reports that the company is in the process of changing its distribution formula. The division plans to close rural distribution centres and concentrate on the main centres. This will affect the operations of the National Food Distributors (NFD).

The union has argued against the closure of depots in rural towns, arguing that this is not in keeping with the group's stated commitment to social responsibility. "The proposal means taking away what is already there. The company should be contributing to the development of the rural areas," says Gxanyana. States Radebe: "Retrenchments have been an issue ever since 1988 when the division started with Farmfare and Bonny Bird. Five hundred workers from Mamas Pies have just been retrenched through closure ... the hidden agenda is for Premier to become simply a holding company."

Premier Food human resources director Corrie Cloete categorically denies this. He insists that while there may be further rationalisations, the food division is essentially

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in the shape and form in which the Group intends it to remain.

Disclosure seems to be one of the issues here. Cloete says it is the Group's policy to disclose financial information to the union. But the union complains information is only disclosed when decisions have already been taken. It is also significant that no 'co-determination committee' has been established to discuss company restructuring, profitability, efficiency, wastage and retrenchment.

Training

According to Chief Executive of the food division, Willem de Kok, training is high on the list of priorities for the Group. Four million rand is set aside annually for training (Premier video: *Premier Group — seeking solutions*).

Premier Group director Lekgau Mathabathe concedes very few workers in the group have historically been provided with any training.

Management in the food division has identified literacy as one of the starting points of the training programme. They have calculated more than 3 000 workers in the division are illiterate. The literacy training programme is monitored by the joint education and training committee, whose agenda includes financial training for shopstewards and joint management/shopstewards training on the recognition agreement.

Motlhake and Radebe point out there has been a struggle over the implementation of the literacy programme. Many managers have been unwilling to release workers during working hours to participate in it.

Cloete admits there was such a problem in some factories, "due to genuine production problems", but says it has been resolved. He even suggests the union was initially somewhat resistant to the idea of a literacy programme.

An approach to skills training has evidently not been part of the agenda of the committee to date, although according to Cloete the head of the division's mill school has recently been asked to sit on the education and training committee.

When asked whether the division has



considered challenging the traditional hierarchy of skills and qualifications, Cloete insists such an approach would lead to the de-skilling of positions, and that the company and the union are at one in not wanting to see that happen. He admits in some factories the operators "know the machines backwards", but that such operators could not qualify as foremen as they are illiterate and are therefore unable to handle writing reports and so on. The literacy programme, he argues, would address this problem, rather than redefining positions. In so far as the setting of standards is concerned, Cloete appears to be content to leave the process in the hands of the Chamber of Milling, which issues certificates.

Radebe and Motlhake express a different approach. They identify access to skills training as the key to real worker participation in the division. They talk of training as central to worker empowerment. They complain that many supervisors would be able to run a department on the basis of their experience and knowledge, but because they do not have formal qualifications, they still "have to phone the boss who is sleeping at home to have a decision made about a problem." Motlhake

says in the 11 years he has worked for the food division, despite the establishment of the various co-determination and negotiating committees, he has seen no change in worker control over production. While in some factories (including the Epol factory), workers now work to production targets, and knock off once these have been reached, Motlhake argues that decision making about *how* production takes place have not changed.

Even in terms of the existing hierarchy of skills and skills training, Radebe says the division has been tardy in facilitating training. He says there has been a long battle with management to send artisan aids "to be taken to school to qualify. The company has agreed in principle, but the process hasn't started. In any event, we are worried that those people who go for qualifications will be failed, despite their experience." Which takes Radebe back to the argument that a reformulation of the training and qualification programmes is necessary.

Affirmative action

Chief Executive De Kok describes the company as an equal opportunities employer

which opposes discrimination. Martin Mabiletsa, the corporate manager of external affairs, admits racism and discrimination still exist in the Group – particularly in the rural areas. Premier Petfood shopsteward and FAWU vice-president Peter Malepe, insists discrimination exists even in the urban plants of the division.

A programme of "affirmative action" has been approved by the Board and has been put to FAWU in the national negotiating forum for discussion. The programme includes the establishment of a committee to which complaints about discrimination could be put. "There must be a mechanism for action against transgressions of policy," says De Kok.

However, Premier shopsteward and FAWU treasurer Ernest Theron argues that blockages against the promotion of black workers are "informal – that is, there are criteria these days which did not exist before". Motlhake and Radebe believe the affirmative action programme and its 'Business Management Development Programme' are geared almost exclusively to middle management, and usually to outsiders.

But Cloete insists the affirmative action

Company Profile

The Premier Group employs roughly 49 000 employees, 19 700 of whom are in the Food Divisions. The Group consists of five Division, namely Food, Pharmaceuticals, Cash and Carry, Retail, and Entertainment. Having diversified substantially some years back, the Group has recently been restructured to become essentially a grocery and pharmaceutical manufacturing and distribution group of companies (both wholesale and retail). Total turnover was R12,5 billion in 1992, 30,4% of which was in the Food Division. The compound growth rate of the Group over the past five years has been 29% per annum. The principle shareholders of the Group is Anglo American (40%), with Liberty Life holding about 30%.

The Food Division comprises the following companies: Premier Milling (wheat and maize); Blue Ribbon Bakeries; Epic Oil Mills; Hospitality Caterers; Premier Petfoods (50% owned); Clark Cotton; National Food Distributors; and Premier Fishing. The Food Division accounted for 45,1% of trading profit.

Workers in the Division are represented by the Food and Allied Workers Union (FAWU), a COSATU affiliate. Collective bargaining on wages takes place at a company level within the Division. The union has demanded centralised bargaining for the whole Division, but management has refused, arguing that it can only enter into industry bargaining if other companies come in on the process. On a number of wage issues, negotiation takes place within a national forum for the Division. ❖

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programme is not targeted at management, or at outsiders. He explains that in terms of the training and development programme of the division, those who stand out with leadership potential are given promotional opportunities - like promotion into the established hierarchies as foremen. He says that from the union's point of view the problem is that often the people who stand out for potential promotion are shopstewards.

Manas Matau, the human resources director of Premier's bakeries, also feels there have been a fair number of internal promotions of black workers. He says in Epic Oil the production foremen and production superintendents are largely black. He points out that the corporate manager of external affairs, and one of the directors in the baking section of the food division, are black. According to Radebe, however, almost all administrative positions throughout the Group (including the head office) are filled by whites.

The comments made by worker representatives on training suggest they would set far greater store on changes in approaches to skills training, as well as changes in their decision-making powers, than to what they see as largely ineffective affirmative action initiatives.

Housing

Wrighton argues that as many as 1 900 workers in the food division gained access to housing through the housing committee in 1991. He and Willem de Kok insist that whilst the committee has failed to meet the expectations of workers, it has been effective in cutting across the red tape and in locating and accessing land for workers to build houses. Sebei Motsomeng, a shopsteward at Epic Oil in Isando, boils the problem of housing down



Premier shopstewards: sceptical about management's schemes

Photo: Jane Barrett

to affordability, and criticises the division for not subsidising housing. He argues that even those who are assisted administratively in getting bonds often end up not coping with the instalments, and so lose their homes. He also points out that the company's small loan scheme administered by the housing committee has no say over the amount of money voted by the division to housing.

Feeding scheme

The feeding scheme is also regarded with some suspicion by the shopstewards. The scheme operates at the local factory level, with joint committees deciding on the best means of distribution. The local committees more often than not decide on schools as the means of distributing food.

Motlhake suggests that the feeding scheme is an attempt at popularising Premier's products by making them familiar to consumers.

The effect of the programme on union organisation in the group

Motlhake expresses a concern that one of the effects of Premier food's programme has been that "the militancy of shopstewards has been watered down. The same goes for the general membership. These days if we call a general

meeting we hardly get anyone." Radebe says this is "not because people are tired, but because we now have a relationship which is said to be of mutual agreement with management." Motlhake sums up the frustrations of many of the shopstewards when he says laughingly: "There is a committee for everything. The company wants to be seen as the champion of negotiations. But sometimes I think it would be better to have management refuse altogether rather than be invited to the table and then find a refusal."

The shopstewards face a serious dilemma. They perceive that they and management remain on opposite sides of the fence in terms of real control, but they have difficulty in formulating responses which keep up the contest. Gxanyana confirms this when he states that the main problem is that the "proposals always come from management, and the union has to respond. The union lacks the capacity to respond in an informed way." They have begun to identify areas of real empowerment – skills training,

grading, disclosure of information, negotiating around efficiency and wastages, financial decision making (for example, in the area of housing) and so on – but are having problems in putting forward concise proposals.

FAWU and Premier workers will need to identify which of these issues offers the best prospects for empowerment. They will then have to formulate detailed proposals and challenge management. Only then will the shopstewards be able to move beyond cynicism about management's initiatives and engage in struggles for power and control – and only then will Premier food division face the real test of integrating genuine worker participation in management. ☆

Sources:

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