

Pick 'n Pay Labour's Jekyll and Hyde

Pick 'n Pay – perceived to be the market leader in the retail sector in relation to wages and employment conditions – recently faced its first national strike in 11 years. The **Labour Bulletin** looks at the previous national strikes embarked upon by members of the SA Commercial Catering and Allied Workers Unions (Saccawu) in order to provide some context to the recent dispute, which took place as the union prepares to mark its 30th anniversary at its upcoming national congress.



Saccawu, and its predecessor Ccawusa, have had an equally long, and at times turbulent, history with Pick 'n Pay, which eventually recognised the union after the 1984 strike.

In May 1986, the company was once again faced with a weeklong national strike. Pick 'n Pay chair Raymond Ackerman accused the union of pursuing a political agenda as, he believed, the strike was designed to make the country ungovernable.

During negotiations in 1987, the company agreed to an unusually high wage increase while also becoming a trendsetter by being the first retail company to recognise May Day and June 16 as paid public holidays. The groundbreaking wage settlement was followed up with the introduction, a few months later, of an employee share ownership scheme (SALB 12 (8)). The scheme was promoted by the company as being a 'major advance for worker shopfloor welfare and a step towards the creation of a form of industrial democracy'. The union however, was sceptical of this initiative (as was the case amongst a number of unions at that time) and argued that the scheme was designed to 'inculcate a sense of loyalty to the company without giving a stake

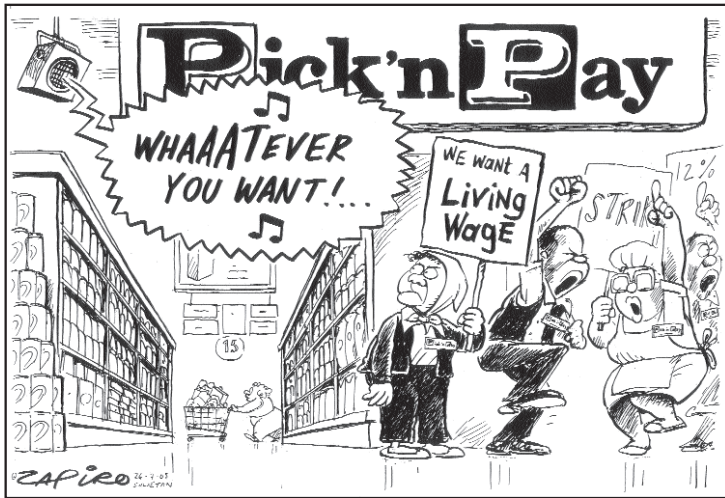
in the company.'

Talk of worker empowerment was once again raised in the context of the negotiation of an agreement around job security, work flexibility and reorganisation in 1994. The agreement came in the wake of a threat of retrenchments. The company announced that an estimated 3 500 workers could face job losses. This led to discussions and a final agreement on job security, flexibility and mobility of labour as well as around the employment of casuals. A key aspect of the agreement related to worker participation.

The agreement – hailed as the dawn of a new era in labour relations – had yet to come into effect when the company was faced with its third national strike since 1984. The 1994 strike took place amidst claims of violence and police intervention.

BACK TO THE FUTURE

At the time of the 2003 Shoprite/Checkers strike around the status of casual workers, threats of similar action emerged at Pick 'n Pay. The company did not however, face a national strike despite rising tension. What then were the factors giving rise to the recent wage strike, which saw workers only gaining



an additional R15 on top of what management had offered prior to the start of the strike?

Wage negotiations do not generally take place in isolation of the history and dynamics unfolding in either management and/or the union at a national and store/regional level. The following are the types of issues which exist within management which could have sparked and/or contributed towards heightened tension, leading to the strike

- Paternalism is a theme running through all the strikes and could still be a factor, which exists in the organisation today. How this plays itself out is however, difficult to determine as many workers still see Ackerman as a 'father-type' figure who was more hands-on and involved. The 'father-type' figure is contrasted sharply with the current CEO Shaun Summers who has a different style and is perceived, by the union, to be a bit of a cowboy.
- There is a sense that there are two organisational cultures battling it out. This 'two companies in one' view is seen to be reflected, on the one hand, by a progressive human resource director (and a number of his staff) and on the other by a more hardline approach.
- Whilst paternalism is linked to issues around race, dignity and attitudes, there is a perception that the organisation has not speeded up employment equity and is run by 'arrogant white men'. There appears to be some real issues around racism creeping into the organisation, which should be explored.
- Directors' fees became an issue especially following the release of the company's results and Summers' package became the vocal point. The company tried repeatedly

(reinforced by Summers) to motivate why Summers deserved the salary he earned and to correct impressions that he did not earn R12-million last year but R10-million. (It is understood from various reports in the mainstream media that Summers in fact earned a total of R62-million last year, which included profit on his share options.) What remains unclear however, is what incited workers to perform a mock funeral of Summers during the strike. As a result, the strike took on a decidedly personal element with Summers constantly seeking to be involved in the negotiations much to the opposition of his own negotiating team.

- It would appear that various incidents occurred in a number of stores in the build-up to the strike, which hardened attitudes amongst workers (and the union) in some stores such as Norwood Hypermarket and in the Western Cape. The union indicated that Summers had made a number of derogatory statements about the union.
- Whilst attitudes might have hardened amongst workers, a similar process had occurred amongst management who became resentful that the union was not doing enough to assist in reducing shrinkage (theft). A number of senior shop stewards have been involved in shrinkage and management felt that the union was not denouncing such action.

At the time of the strike, the company was on R310 with the union demanding R400. The final settlement was R325, a figure that had been flagged to the union before the strike. Why then a strike over R15?

- The union has a highly unionised presence in Pick 'n Play and perhaps over the years

the shop stewards have become overly confident that the company will pay what is demanded. There is a sense that the union expects more from the company because it is the market leader.

- Some questions have been raised as to whether it was store level dynamics which drove the national strike? The union leadership indicated that attitudes hardened ahead of the strike at a number of stores especially Norwood Hypermarket because of specific incidents such as the fighting on SABC of a programme on theft in Pick 'n Play.
- There is some speculation as to whether the election of office bearers at the upcoming national congress in September influenced the behaviour of some union officials during the negotiations. As is often the case, union leaders and shop stewards might differ on the direction of negotiations and/or strike. Sometimes positions adopted however, are influenced by personal agenda's as opposed to what is right for members. In some cases members take a harder line than officials would like. In this instance, tensions existed amongst the leadership with some office bearers wanting the strike to continue.
- Linked to this issue is the extent to which the union's ongoing internal problems (coupled with attempts by Pick 'n Play management to undermine the union) influenced the decision to strike.

CONCLUSION

The strike is now history but a number of underlying issues giving rise to the strike remain. What are the unions' strategies in dealing with some of these issues including the lack of trust, which exists between the parties? It is understood that, as has occurred in a number of companies, past agreements signed (following lengthy negotiations) are not being implemented and instead are left to gather dust. Because these agreements are not being honoured and/or implemented by either party - both sides promise but neither does anything believing the other won't - the issues keep on reappearing. The National Union of Mineworkers (NUM) has sought, in a number of their negotiations, to review past agreements to see which aspects are not being implemented so as to address old baggage and ensure demands are not retabulated year after year without any progress being made.



Behind the liberal mask

After the 1986 strike, the *Labour Bulletin* (11(6)) interviewed union negotiator Jeremy Daphne on some of the dynamics around the strike. The following is an extract from the interview.

SALB: Pick 'n Pay and Raymond Ackerman have had a very high profile 'liberal' image in terms of national 'reform' politics and in terms of shop floor benefits for workers. Why then was the strike so bitter?

Jeremy Daphne: To start with we believe that Pick 'n Pay's caring liberal image is a result of a skilled public relations department and not a result of actual shop floor conditions. It's a myth as any Pick 'n Pay worker will tell you: 'Ackerman likes to go around shaking hands with us but this means nothing. We have never had the opportunity to speak out our views and management knows nothing

about our shopfloor needs and problems' - is a statement often made by Pick 'n Pay workers. Pick 'n Pay might look good on TV or in the capitalist press but it is a very different story on the shop floor. Ackerman's statements during and after the strike are typical of the kind of attitude that workers have to put up with.

The answer to the question as to why the strike was so bitter is simply that it was a reflection of workers' total shop floor experience of Pick 'n Pay. In terms of shop floor benefits workers are not interested in any co-determination schemes such as share ownership schemes, and other benefits - such as

education and house loans - are out of the reach of most workers due to their low wages. What workers are interested in is a living wage and they are still nowhere near receiving this.

I would add one thing on the company's 'liberal' image. Our members have found that Pick 'n Pay management adopted a racial response to their industrial action. White scabs particularly were brought in while some of our members - whites, Coloureds and Indians were approached separately and encouraged to return to work - a clear attempt to divide workers along racial lines.

In the aftermath of the 1984 strike, the Labour Bulletin (9 (4)) interviewed Ccawusa organiser Kaiser Thibedi. This is an extract from the interview, which focused on Pick 'n Pay's liberal public image.

SALB: How do workers feel about Raymond Ackerman's liberal public image and how does this compare to the real conditions of work at Pick 'n Pay?

Kaiser Thibedi: Some workers were convinced by Pick 'n Pay's public image. The company has things like a funeral scheme where you get R500 if a member of your family dies. They also have a housing scheme where they give workers loans to buy houses... During the strike meeting an old worker stood up to talk about the funeral scheme. He said: 'My father died and I got R500. But I need a decent wage. Charity doesn't help.' Other workers spoke about the housing loans, they see the scheme exactly for what it is – a way for the company to make money. Workers pay back the loans with interest and so the company benefits.



The election strike

The following is an edited version of an article which appeared in **SALB** 18 (4) entitled 'Pick 'n Pay strike what do shop stewards say?' written by Zolile Mtshelwane in the aftermath of the 1994 strike.

The strike by more than 15 000 Pick 'n Pay workers over a wage increase turned ugly when management called in police to evict picketing strikers from about 136 shops nationwide. This was after management had obtained court interdicts instructing strikers to remain at a distance of 500 metres from some of the shops affected by the dispute. A consistent pattern that emerged immediately after the granting of interdicts was the outrageously violent intervention of police on the side of management in many stores. The police stormed stores to evict strikers, shooting

stun grenades and rubber bullets at workers, setting dogs loose to attack strikers and subsequently arresting hundreds, if not thousands of the striking workers.

OLD MANAGEMENT, OLD POLICE: NEW SA?

Saccawu officials have also expressed concern at the 'apparent coordination' of police action against strikers. The officials said they were left wondering whether Pick 'n Pay management had struck a deal with police to move in on workers. The police's

role in intervening on the side of management presents serious problems for the rebuilding of healthy workplace relations between workers and management. Workers are now asking whether anything has changed at all. Before the new government was voted into power, the employers could always rely on the police. Now, even under a new government, Pick 'n Pay management has resorted to the same tactics, and the police have played the same ball game. So, what's new, workers ask?

At the height of the strike, management wanted the union to sign an agreement on strike behaviour, arguing that strikers were intimidating shoppers as well as non-strikers. Saccawu, after initially entering these talks, pulled out and did not sign the agreement. The union argued that there was disagreement with management as to what constitutes legitimate industrial action. Stalin Manyaka, the coordinating shop steward at Norwood Hypermarket in Johannesburg said as far as he was concerned, striking workers' behaviour was not the issue. 'The issue was for management to meet our demands and to stop involving police in industrial matters. Had management not called in the police, there would not have been violence.'

MANAGERS AND WORKERS

One of the terms of the strike settlement was that Saccawu and management need to negotiate a framework to rebuild the relationship at the workplace. But Manyaka said the damage at Norwood was so big that there is no communication at all between workers and management at the store...

The Rosebank store is one of a few where the police did not attack workers. Shop steward Judith Ndlovu said this might be attributed to a rumour that the owner of the building in which the store is housed had told Pick 'n Pay he did not want any police dogs in the premises. 'Our manager was also not hostile towards workers during the strike. As soon as the police arrived, shop stewards pretended to be on the phone to someone, and would come out and claim that they had spoken to the minister of

police, who had expressed surprise at the presence of his police in the store.'

ENTRENCHED RACISM

The bitterness amongst the Pick 'n Pay workers also relates to what workers call 'entrenched racism' in the company. Shop stewards constantly refer to 'racially biased promotions' and 'selective discipline' applied by management in different stores.

Saccawu said it is an illusion that Pick 'n Pay management is among the most enlightened of employers. 'Pick 'n Pay is still largely a white dominated, highly paternalistic and authoritarian company in terms of its interaction with workers. The daily lives of workers on the Pick 'n Pay shop floors bear no resemblance to the public management and labour commentators.'

Asked why the workers had not gone on a national wage strike since 1986, Ndlovu said negotiations in those years had yielded better results than this year's talks. The union has dismissed criticisms that the union has weak leadership. Manyaka said this criticism emanates from management, who are bent on discrediting Saccawu. 'The union, for us, is the organisation at the factory floor, and not officials,' he said.

Relations between customers and the workers have been affected by the strike. Although it is difficult to gauge the response of customers to the strikes, Manyaka said

that the relations between workers at the Norwood store and customers during the strike were bad. 'Many of the rich customers were very hostile to the strikers, and some of them even used abusive language against us,' Manyaka said. Manyaka said it will be difficult for most workers at the store to be courteous to people who called them ugly names during the strike. Ndlovu, however, said they found some of the customers sympathetic to the workers' cause during the strike.

Now that the strike is over, workers and management are going to be squaring up to each other. Certainly both parties will want to assert their power and rights. Some shop stewards believe that the post-strike tensions on the shopfloor are going to take some time to settle down. However, there is no consensus on what effect these tensions will have on the job security and flexibility agreement that the union hailed as a dawn of a new era in worker/management relations at Pick 'n Pay.

Some believe it will be difficult for the workers to cooperate with customers who were unsympathetic to their cause, and to normalise relations with those who 'criminalised' their strike. Other shop stewards are convinced that the strike has 'horrified' management, to an extent that they have realised the deep-seated anger of workers on the shop floor.

