

# The SALB/FES seminar

*TGWU and International Harbour Services*

**T**anya Goldman published a ray of hope in *SA Labour Bulletin* vol 23 no 2 where she wrote a feature on how International Harbour Services (IHS) and TGWU made 269 temporary workers permanent. Her article outlined a number of phases in a process that took several years.

- the company started increasing its permanent core of workers;
- contract workers were paid the same as permanent workers - equal pay for equal work;
- management created a group of permanent seasonal workers - workers were guaranteed at least two days work every week of the year;
- permanent seasonal workers were later guaranteed three days work every week of the year;
- permanent seasonal workers were included in the provident fund;
- all permanent seasonal workers gained five days guaranteed work a week throughout the year, increased provident fund contributions for the extra days worked, and medical aid.

At a recent SALB/FES Collective Bargaining Seminar, Francois du Toit (staff relations manager at Capespan which owns IHS) and Tami Makile (TGWU Western Cape branch secretary) gave presentations on what happened and answered questions from the floor. The following article captures key issues.

*Tanya van Meelis reports on the SALB/FES Collective Bargaining Seminar that dealt with an agreement between International Harbour Services and TGWU where 269 temporary workers were made permanent.*

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## **The nature of competition**

The nature of the competition in the industry has both opened and closed possibilities for innovative agreements. Part of the motivation management gave for creating a permanent workforce was that new competitors were entering the market and the company wanted to retain the skills of its workforce. As du Toit explains: 'It takes two weeks to train a tele-clerk but it takes two years before they really know what they are doing. Forklift drivers develop skills and experience on how to hatch a plan - they know how to pack to the maximum. We needed to retain these skills that the temporary workers had.'

However, when the nature of competition changed, the company found it difficult to retain a high number of permanent workers. Du Toit explains: 'IHS



was a monopoly – no one else had cold storage facilities on the docks. The ‘new competition’ brought the fruit straight from the trucks and loaded them onto the ships. They did not use cold storage facilities. Farmers also embraced the new way of doing things and wanted to try something different. So we lost work and thus revenue and had to find ways to cut costs – this included retrenchments.’

### **Strong union**

Many unions do not represent casual workers adequately, if at all. TGWU at IHS stands as an exception. Makile explains: ‘Employers saw casuals as a way of getting cheap labour. So we said we must organise casuals – we must stop the move to casualisation.’

Makile outlines how TGWU tried to minimise the tensions that usually exist between permanent workers and casuals: ‘You always find tensions between permanent workers and casuals. In one company, workers have separate cloakrooms, in another company permanent and casual workers have separate general meetings. In IHS we managed to unite workers. We organised a high amount of casuals and said that this must be reflected in terms of shopsteward numbers. So we have a certain amount of shopstewards who are temporary workers, representing temporary workers. We are also flexible on subscriptions from temporary workers.’

### **Give and take**

Du Toit stated that management was committed to making temporary workers permanent. While this may reflect some managers’ progressive thinking, it also made good business sense. Having permanent workers ensures retention of skill. Equally important, the union agreed to flexibility in the workplace as part of

the trade-off for permanence. Du Toit explains: ‘Our unit costs went up when we made people permanent because we wanted to retain skills. We also got flexibility from the union – workers agreed to work when we needed them to work. For example, we may need a worker to stay after a shift or we may need to call people in when needed.’

Makile explains why the union agreed to flexibility: ‘We wanted permanence for workers and so we made trade-offs. It was worth trading-off permanence for flexibility. We said that flexibility should not compromise our members. We said that we would first look at what the employer was proposing and see how it would benefit our members. Our members’ interests are the first thing that we look at. If we find out that flexibility was the source of the retrenchment then we will review it.’

### **Worth it?**

Some may argue that this brave experiment failed with workers later being retrenched. However, Makile disagrees: ‘What we did was a great achievement. While we had a set back with the retrenchments, we know that we will be able to explore getting more permanent jobs in the future. The company has learned that it can work with the union. All the workers learned that we act on mandate and will win the best we can for members.’

Du Toit would agree: ‘Even though workers were retrenched they had provident fund benefits. The agreement also set a good precedent in the union – we can go this route again in the future. It showed that we can build trust with the union and that there is space for innovative thinking. We could also retrench when we needed to, so nothing is set in stone. My advise to managers is “if you can try something innovative, its worth it. Don’t look for excuses. Just do it.” ★