

T-36 R-1

SALHA 17b: SACCAWU

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WAFIA

25/02/96

PROCESSED

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SACCAWU NATIONAL CATERING
CONFERENCE
HELD AT SHAFT 17 - JOHANNESBURG
16-18 FEBRUARY 1996



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DAY ONE : 16 FEBRUARY 1996

WELCOMING ADDRESS:

Performed by Cde. Theo Xulu, 1st Vice President.

THEME AND RULES:

Comrade Bones Skulu, the General Secretary, announced thus:-

- the conference is a culmination of last year's Bargaining Conference
- the conference is meant to strategies around implementing current policy pertinent to the Catering Sector.

The President, Cde. Setena Khaile, also brought to the conference's attention the fact that Catering Workers don't feature in the leadership of regions and that delegates shall also have to debate this issue.

PRESENTATION:

GRADING, TRAINING AND WAGE STRATEGY - [L. GENTLE]

Comrade Gentle presented a paper on behalf of researchers who could not make it to the conference this morning. The paper, entitled "Proposal for a New Skills Grading System for Hotel and Catering Sector", advocates a strategy to:-

- negotiate uniform grades across the sector
- linking these grades to skills rather than tasks (grouped into "qualification").
- further linking the grades to actual wages earned.
- setting fixed wage differentials between the various grades to apply across the sector, using the benchmarking method.

This strategy revolves around a body like the HITB, (Hospitality Industries Training Board) and its adoption therefore could lead to some kind of "unofficial" Centralised Bargaining system. The paper is also structured in such a way that it can be put to employers as a negotiations document, if it is acceptable to the conference.

After discussing issues for clarity the conference broke into four working groups to tackle specific issues in details.

* **REPORT BACKS FROM COMMISSIONS:**

The groups reconvened into plenary to report on their discussions as follows:-

GROUP 1.

- A grade is a level of job classification and a grading system is a method of applying the classification
- The relations between grading and skill is that the latter enhanced the former
- The division between skilled and unskilled workers is unacceptable because it is based on unfair criteria
- A task-based grading system only considers the task performed and not the skills applied to perform the task
- SACCAWU should negotiate wages on a grades basis as the advantages outweigh the disadvantages.

GROUP 2.

- The NQF is an institution set by government to asses skills and the HITB is a board set up by employers and employees

- A person can progress through training which shall be assessed by management and shop stewards
- Unpacking a skill and relating it to a competency would measure the latter against the former
- SACCAWU should negotiate a skills-based grading system because this shall ensure fair remuneration of workers.

GROUP 3.

- The advantages of the ATB method of negotiations is that it is simple and easy to understand and lowest paid workers can easily relate to it
- The disadvantages is that it doesn't relate to skills and grades and discourages higher paid workers from joining Unions
- The actual wage increase over the years hasn't been inflation-beating
- High wage earners should be accommodated in our wage strategies in order to broaden our bargaining scope
- There are methods of negotiating wages other than ATB like grades related to skills/wages.

GROUP 4.

- ATB weaknesses are the perpetuation of the wage gap and alienation of high wage earners
- the strengths are the promotion of skills
- broad-banding is the reduction of grades based on skills levels and can be applied in such establishment as Southern Suns, Sun International and City Lodge

* **SUMMARY: [L. GENTLE]**

There seems to be agreement in the group report-backs that a new approach should be adopted in wage negotiations in 1996.

The actuals of how to do this shall be discussed the next morning after additional input from the researchers who were supposed to present the paper in the first place.

The conference then adjourned for the evening at 18h15.

DAY TWO : 17.02.96

The conference reconvened at 09h00.

PRESENTATION:

SOUTHERN AFRICAN HOTELS PROJECT - [ILRIG]

Hotel Workers in Southern Africa;

4. Big Hotel Chains:-

- 1) Sun International
- 2) Southern Sun
- 3) Karos Hotels
- 4) Protea Hotels

All Southern African Owned

US transitional hotel chains might set up operations.

ITT Sheron (already in Harare)

Hilton

* **SUN INTERNATIONAL**

- . 3rd largest international gaming company in the world
- . 10th largest hotel chain in the world by net income.

But only 185th largest by number of rooms so it makes a **lot** money per guest

- 80% owned by Kersaf which is part of the giant South African group SA Mutual.
 - 4 Casino in France
 - 1 Casino in Morocco
 - 1 Casino in the Bahamas
 - 1 Resort being built the USA

Plans to expand into Pacific so SI operates across the world.

- SI bosses are **very confident.**

* **SOUTHERN SUN:**

- 100% owned by South African Breweries (SAB)
- Brands of hotel from top luxury to basic:
 - 5* Southern-Sun-Intercontinental - new tie-up with Intercontinental Hotels-the world's largest 5* chain.
 - 4* Holiday Inn.
 - 4* Holiday Inn Crown Plaza.
 - 3* Holiday Inn Garden Court.
 - 3* Southern Sun Resorts/Sun Game Lodges
 - 2* Holiday Inn Express - limited service-no meals except limited breakfast.
 - 1* Formule 1
With French Hotel Chain Accor using high technology and few workers.
- Southern Sun is expanding rapidly : especially Formule 1.
- **Mozambique:** negotiating for a Holiday Inn and a Sun Game Lodge.

* **KAROS:**

- Owned by the company directors plus Marvol Holdings and other companies in South Africa
- Total assets 226.6 million rands
Turnover (sales) 127.4 million rands March 1994 to March 1995
Operating profit 33.6 million rands
Turnover was up 23%  **getting more profit**
Profit up 35%  **than before**
- Profits from Polana Hotel, Mozambique, and Sossusvlei Lodge, Namibia, contributed 27,5% of profits in the group.
- Karos has 13 hotels in **South Africa**, and plans to have a casino.
1 hotel in Mozambique and plans for a casino - 32,5% owned by Karos
plus Karos has the management contract.
Its management fee in 1993-4 was 1,63 million.
1 hotel in Namibia and plans for 3 more.
- Karos is not a big company but its profits are growing and it is expanding.

* **PROTEA:**

- Manages hotels (management and franchise contracts many for parastatals).
- About 80 hotels in 11 countries.
- 10 Hotels have been upgraded to "Premier" status at a cost of R110 million.
- Owned by Fedics (40%) - a food and catering corporation of South Africa.

- Plans for expansion:
"We are planning to move aggressively into Africa" says Otto Stenlik [Executive Chairperson].
- Big boom in International Tourism.
MD Arthur Gillis expects Protea will do "unbelievably well" in first half of 1995.
- Businessmen are also important customers especially from Fedics and its Partners.
- All Protea's directors are white males.
- Policy of "training and empowering the local hoteliers to do the job".
- Policy "respect for human dignity".
"Protea requires every hotel in the group to subscribe to fair and enlightened employment practices".

* **CITY LODGE:**

- 44.3% owned by Kersaf of South Africa which also owns Sun International.
- Expanding its range of brands and number of hotels:
 - * **City Lodge** : 9 hotels - luxury but limited service - no lunch/dinner, no porters, no room service, no conference facilities.
 - * **Town Lodge** : 4 hotels, all in SA - middle range, limited service.
 - * **Road Lodge** : 1 hotel near Johannesburg Airport - bottom range, limited service - single tariff for a room sleeping up to 3 people.

* **Courtyard Group:** 5 hotels acquired in 1995.

Plans: 2 Road Lodges a year + 1-2 City/Town Lodges a year, to double room capacity by 2000.

Expansion in Southern Africa is not yet clear.

Problems Faced by Hotel Workers in Southern Africa:-

- lack of education and training
- restructuring
- subcontracting
- "job flexibility"
- retrenchments
- introduction of new technology
- basic trade union rights

Developing Regional Solidarity;

- **October 1993:** IUF-SACCAWU Conference.
"Transnational hotel and restaurant chains in Southern Africa".
- Unions have to strengthen co-operation and exchange information at Subregional level through the IUF.
- Unions have to develop a framework for joint strategies and action.

International Agreement in the Accor Hotel Chain;

- IUF : International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers Association.
- ACCOR : French Multinational Hotel Chain;
2265 hotels
4700 restaurant
132 countries
147000 employees

Includes Formule 1 hotels: **with Southern Sun in South Africa.**

Agreement: Accor will apply ILO Conventions 87, 98 and 135 in **all** its workplaces world-wide.

Guarantees:

- workers' right to join trade unions of their choice
- protection against discrimination of workers and workers' representatives concerning their freedom of association.

March 1995: Conference on Transnational Hotels in Southern Africa.

- Zimbabwe Catering, Hotel and Allied Workers Union
- Swaziland Hotel, Catering and Allied Workers Union
- Botswana Commercial and General Workers Union
- Namibia Food and Allied Workers Union
- Hotel Catering Union of Zambia
- Sintihots Mozambique
- Hotel, Food and Catering Workers Union (Malawi)
- Hotel and Restaurant Employees Union (Mauritius)
- IUF

Strategic Areas;

First Priority:-

- Poor working conditions.
- Education and Training.
- Common approach to collective bargaining (centralised bargaining).
- Workplace Democracy.

Second Priority:-

- Introduction of new technology.
- One industry, one union in each country.
- Subcontracting and Privatisation.
- State repression of trade unions.
- Adherence to basic trade union rights and ILO standards.

- Establish research components.
- Abolish EPZs

Agenda for Collective Bargaining in the Region; *old*

- 1) Education and Training:
 - ⓐ input from workers
 - ⓐ accreditation
- 2) Collective Bargaining Forums in the Region:
 - ⓐ common set of demands
- 3) Basic Trade Union Rights:
 - ⓐ time-off for shop stewards
 - ⓐ no victimisation
 - ⓐ right to organise, bargain, hold workplace meetings
- 4) Employment Policies:
 - ⓐ prevent casualisation
 - ⓐ stop discrimination by management
- 5) Subcontracting
- 6) Workplace democracy
- 7) Restructuring
 - ⓐ workers' participation in decision making
- 8) Productivity/Flexibility
 - ⓐ trade union participation
- 9) Research

April 1996 Conference:

- Set up co-ordinating structure

- Draw up clear priorities and a programme of action.
- Set up mechanisms for ongoing solidarity and exchange of information.
- Evaluate possibilities of region-wide campaigning on selected issues.
- Evaluate the possibilities of regional bargaining with selected hotel chains.

* **GROUP DISCUSSIONS:**

GROUP 1.

Q.1

- i) Formation of (RTS) Regional Trade Union Sectorian Structure (Affiliate).
- ii) Strengthening our COSATU participation for SATUCC.
- iii) Formation of Transnational Shopsteward Council - Co/Group Level.

Q.2

Immediate P of A;

- i) Calling of Southern Africa Catering Conference to work out overall strategy/wayforward for the sector:
 - * Standardisation of working conditions
 - * Policy formulation on introduction of new technology
 - * Education and Training
 - * Workplace Democracy
 - * Assist each other in building Trade Union Organisation.

Q.3

- i) Campaigns could be organised on above programme of action issues.

Q.4

- * Sun International
- * Southern sun
- * City Lodge
- * Protea
- * Karos
- * Stock and Stock Hotel Division
- * Inter Congenital

\$ Issues to be Bargained;

- i) Education and Training
- ii) Job creating technology
- iii) Productivity Arrangement
- iv) Tourism Development Strategies
- v) Uniformity in Collective Bargaining Agreements (excluding wages)

\$ HOTELS PROJECT:

1. Co-ordinating Structure;

- * Linkage with research arm.
- * Labour bias research.
- * Identification of common problems in the region.
- * Making informed decisions.
- * Communication - Worker to Worker contact.
- * Joint actions in the region.
- * Planning strategic conference.
- * Self sustainable and worker control.

2. Composition;

- * All unions involved in the project.
- * Each Transnational hotel be represented by person a country.
- * General Secretaries to be part of the structure.

3. Immediate P.O.A.

- * Educating membership and participation.
- * Identification of common issues around the campaign.
- * Setting up the meeting with employers.

4. Issues;

- * Parental rights.
- * Casualisation.
- * Sub-contracting.
- * Hours of work and mobility.
- * Basic union rights and workplace democracy.
- * Collective agreements.

5. Hotel Chain - Targeted;

- * Sun International
- * Southern Sun
- * Organisational strength.

*** PRESENTATIONS:**

Proposal For an Industry-Wide Skills Grading System For The Hotel And Catering Sector - [Faith McDonald - Labour Market Alternatives]

- Jobs have always been graded to determine remunerations levels.
 - @ methods of grading are traditionally based on tasks, whereas broad banding is based on skills.
 - @ grading is based on a strong hierarchical structure, e.g. Patterson
- Problems with the existing grading (job evaluation) systems are:-
 - @ inflexibility
 - @ task specificity

- ⑥ recognition of a narrow range of skills
- ⑥ reporting structures very controlled
- ⑥ lack of career paths
- ⑥ inequitable pay differentials for work performed
- ⑥ no prior learning recognition

- Broad banding is a process of equipping workers to adapt more easily to different methods of work organisation and new technology in a career path

- Tasks are what workers **do**.

- Skills are attributes which **enable** workers to perform a task.

- A competency is a combination of skills in performing a task.

- A skills/competency - based grading system seeks to recognise skills applied to perform a task/job, further it seeks to:-

- ⑥ establish formal career paths
- ⑥ establish fairer criteria for grading
- ⑥ to provide financial incentives for workers to participate in learning
- ⑥ link bargaining to HR development
- ⑥ narrow the wage act
- ⑥ complement changes in work organisation

- SACCAWU might decide to negotiate this system across the sector or pilot it with one hotel chain.

* **GROUP REPORT BACKS:**

- **GROUP 1.**

- demand commitment from employers on linking wages to skills
- demand disclosure on existing grading systems in companies
- demand establishment of grading committees that should be funded by employers

- **GROUP 2. Demands for 1996;**
 - . centralised bargaining
 - . a grading system (skills-based)
 - . education and training
 - . normal increases
 - . a 40hr week
 - . parental rights
 - . affirmative action
 - . transport assistance for late shifts
 - . financial information disclosure
- **GROUP 3. Demands for 1996;**
 - . broad banding/grading
 - . education and training
 - . wage increase (ATB & %)
 - . centralised bargaining
 - . SNPF
 - . full-time shop stewards
 - . employer funding of negotiations
 - . health and safety
 - . parental rights
 - . new bargaining unit
- **GROUP 4. Demands for 1996;**
 - . skills-based grading system for 1997
 - . centralised bargaining
 - . affirmative action
 - . ATB and Broad banding
 - . education on training

* **SUMMARY:**

Comrade Leonard Gentle presented a document summarising the sentiments expressed in the conference so far together with a plan of action. The idea was for delegates to go through this in order to formulate resolutions at the end of the conference.

* **DISCUSSIONS:**

Organisational Issues;

Input : L. Gentle.

- "Federalism" bedevilling organisation in catering sector.
- Some perception exists that SACCAWU is a union for commercial workers only.
- Although the industry is growing our representation is going in the opposite direction.

Input : Bongani Mbali;

- SACCAWU's participation in the HITB should be more structured than it is now.
- Problems around participation involve no strategic planning prior to board and committee meetings.

Input : Bongani Madikiza;

- There's a need to establish and consolidate catering councils and relate them to constitutional structures.
- A strategy needs to be adopted on dealing with franchise outlets.
- Discussion also needs to occur around how full-time shop stewards could assist in servicing the sector.

The conference then broke into working groups to look into the broader organisational issues pertaining the catering sector.

* **DAY 3: 18.02.96**

The Conference reconvened at 09h00, to listen to group report-backs.

* **GROUP 1: Organising the Unorganised and Improving Service;**

This can be achieved by:-

(a) (Organising the unorganised);

- setting up educated and trained recruitment committees and providing them with budgets and targets
- introducing agency/closed shops
- setting up functional councils
- increasing visibility of officials in units
- using full-time shop stewards more efficiently

(a) (Improving service)

- educating shop stewards
- tightening co-ordination of the sector at regional level
- educating officials around the sector
- encouraging shop stewards in the sector to participate more actively in constitutional structures by negotiating special time-off arrangements for them, e.g. Southern Suns.

* **GROUP 2: Franchisees;**

- our power can be increased here by doing more recruitment at regional level and then approaching parent companies
- franchisees AND their parent companies should be included in a statutory council
- SACCAWU should not buy franchised outlets nor should workers bid for them.

* **GROUP 3: Centralised Bargaining;**

- the wage strategy adopted by the conference should be put as a demand to employers in the Hospitality Industry
- a **statutory council** is a toned-down version of a **bargaining council** in terms of representativity requirements, agenda issues and powers to extend
- membership level, lack of resources, service/leadership capacity, disunity/federalism amongst members and poor media/publicity are some of the weaknesses we have which may prevent us from winning our demands.

* **GROUP 4: Catering Sector and Constitutional Structures;**

@ (Catering Sector Structures)

- Catering Councils should be established in all regions and locals workers and shop stewards do not attend SACCAWU structures due to their working hours, lack of transport and lack of knowledge about the structures.

@ (Constitutional Structures)

- Catering Councils should be constitutional, although this could lead to federalism
- special provision should be made for catering workers in SACCAWU, e.g. by proportional representation.

APPROACH TO WAGE DEMANDS IN 1996:

The conference broke into groups according to company negotiating teams to consider the summary document presented by comrade Gentle during day two.

The responses were as follows:-

* **Karos Hotel;**

- agrees with the paper except for:
point 3 : reduce 3yrs to 10 months
point 7 : should be subject to their mandate of R380 for those below minimum and 35% for those above.

* **City Lodge;**

- agrees with paper except for:
point 3 : to be negotiated after wage agreement
point 6 : to be discussed with members

* **Protea Hotels;**

- agrees with paper except for:
point 6 : ATB to be r300 and percentage 25%

* **Sun International;**

- agrees with paper except for:
point 3 : same as City Lodge
point 6 : broad banding should be the main demand and percentage ATB the fall back

* **Southern Suns;**

- agrees with paper except for:
point 3 : period to be reduced to 2yrs
point 4.1 : team to be increased to 4 members
point 6 : mandate is 25% or R302 whichever is greater
point 7 : has been achieved (demands already put to company)

* **Fedics Food Services:**

- Agrees with paper totally, except to reduce period to 18 months (point 3)

* **Independent Hotels:**

- agrees with paper but forsee problems in getting bosses in sub-sector together.

* **Fast Food Chains:**

- agrees with paper but would like to obtain mandate from members on point 6.

* **SUMMARY:**

The companies present here adopt the approach suggested in the paper, with the understanding that it shall have to undergo somemodification.

* **ANNOUNCEMENTS:**

- a) Meeting with Catering Employers takes place tomorrow, 19th February.
- b) The HITB board meets on Tuesday, the 20th February.
- c) Kate Khunou, Templeton Ntanjane and David Mashala have been seconded to HITB Task Teams.
- d) The Southern Africa Hotels Project Conference takes place on the 3rd and 4th May 1996.
- e) The International tourism Conference then follows on the 5th and 6th May.

* **CLOSING ADDRESS:**

Performed by Cde. Freda Sizani, the 2nd Vice President who requested delegates to use this conference as a stepping stone towards consolidating the Catering Sector.

She then proceeded to declare the conference closed at 12h00.

IUF SEMINAR for Hotel, Restaurant + Catering Workers Johannesburg, October 1993

	BOTSWANA	MAURITIUS	MOCAMB.	NAMIBIA	SOUTH AFRICA	SWAZILAND	ZAMBIA	ZIMBABWE
Bargaining level	National/ Company	Unit	Unit	Unit/ Company	unit regional national	unit	central	national
Working time	8h/day	48h/week	48h/week	9h/day	45h/week	8h/day	48h/week	48h/week
Wages	R. 600	R. 250	R. 170	R. 600	R. 860 to R. 1800	R. 400	R. 250	R. 500 to R. 1000
Shift patterns	Split shift			3 shifts or 2	3 no split	split shifts	3 shifts	split shift
Leave	18 to 30 days	18 to 21 days	15 days to 1 month	24 days	21 days to 4 weeks	18 to 28 days	21 days	18 days
Service charge		no	no	no tips yes	some cases yes		yes	
Maternity	6 weeks before, 6 weeks after	3 months full pay	80 days full pay	3 months 1/2 paid	6 months (unpaid)	30 days full pay	3 months full pay	90 days paid 60%
Job security		no			hearings before action taken	no retrench- ment during CBA life		statutory measures for retrench- ment

Key:	• = present	? = possibly active/negotiating	X = withdrawn
KAROS	?	?	
PROTEA	?	•	
PROTEA PREMIER		•	
SOUTHERN SUN/INTERCONTINENTAL		?	
HOLIDAY INN CROWN PLAZA		•	
HOLIDAY INN		?	?
HOLIDAY INN GARDEN		•	
HOLIDAY INN OVER		•	
SOUTHERN SUN RESORTS		?	?
HOLIDAY INN EXPRESS		•	
FORMULE 1		?	
IN INTERNATIONAL	•	•	•
CITY LODGE	?	?	
TOWN LODGE			
ROND LODGE			
COURTYARD			