

Massdiscounters confirms retrenchments

Massdiscounters, which includes Game and Dion Wired stores, confirmed on Tuesday, 1 June 2010, that as a result of its investment in regional distribution centres, new technology and the consolidation of workflows, a number of positions have been made redundant and letters of retrenchment have been issued to affected employees.

It said this is the culmination of a process which began on 7 January 2010, when management started discussions about potential impact of these initiatives with employees and the South African Commercial Catering and Allied Workers Union (SACCAWU).

Ongoing discussions, mediated by the CCMA, have taken place since then.

Union action

On 31 May, Massdiscounters received written notice of SACCAWU's intention to engage in industrial action unless the implementation of the re-engineering exercise was halted unconditionally.

Massdiscounters has notified SACCAWU of its intention to proceed with the re-engineering process.

According to SACCAWU's correspondence the intention is to embark upon a protest march at 1pm on 10 June.

According to Massdiscounters spokesperson Brian Leroni, management approached discussions on the basis that retrenchments would be a last resort and that the company would attempt to find ways to minimize the impact of the re-engineering process on staff.

"It is most unfortunate that SACCAWU has refused to even consider the principle of a proposal that reduces the contemplated retrenchments from 1500 to zero," says Leroni.

Flexible option

The company proposed a flexible model that would significantly reduce the number of contemplated retrenchments if the team was amenable to flexible working hours, a flexible working week and flexible job functions.

The proposed model, which is supported by the Sectoral Determination for the Retail Sector as an alternative to retrenchments, was rejected by SACCAWU (despite the fact that some of its members had accepted the proposal).

On 1 June, staff at seven stores in the Gauteng region were issued letters informing them that their positions were affected and inviting them to apply for any available positions in their store.

Restructuring

The re-engineering and restructuring process was initiated in 2008 in order to improve operational efficiencies and the business's ability to compete more effectively.

The process includes the highly successful launch of the division's Cape Town Regional Distribution Centre (RDC) and the current construction of a 70 000sqm RDC in Germiston.

Experience from the Cape Town RDC revealed significant receiving efficiencies, resulting in a requirement for fewer receiving personnel in Game and Dion Wired stores.

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