

MTN offering voluntary retrenchment to cut staff costs

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MTN SA said last week that over 240 managers have taken voluntary retrenchment packages. The company embarked on a cost-reduction programme in August, following its poor financial performance.



MTNs Thema Nyathi says that so far 240 people have taken voluntary retrenchment from MTN as it struggles to reduce staff costs from 7% to just 4%. Image: [BusinessTech](#)

The reduction in staff is intended to reduce the employee cost-to-revenue ratio in line with global trends of 4%. MTN's employee cost-to-revenue ratio is 7%.

MTN SA's Chief Human Resources Officer Themba Nyathi said the company had not issued forced retrenchment notices but if the need arose it may do so by the beginning of next month. He said the company was looking for opportunities to remove duplicated jobs and so enhance efficiencies.

"We are guided by the market and our customer needs," he said. The departure of 240 workers will cut overall costs by 5%.

Trade union Solidarity, which tried to block the process, said MTN was busy with final placement of affected employees. Solidarity said that the final structure would be finalised this week.

Telkom and Cell C

MTN's rivals Telkom and Cell C are also cutting jobs to reduce costs. Solidarity said it had already held its first consultations with Cell C and it would soon submit its proposals to the company. With regard to Telkom, Solidarity said it would keep a close watch on Telkom's retrenchment processes, adding that it would act swiftly should its members be unfairly treated.

This comes after Telkom refused to retract retrenchment letters sent to 105 employees, including 16 Solidarity members, who have not been placed in alternative positions.

According to Marius Croucamp, Head of the Communication Sector at Solidarity, Telkom was trying to place employees affected by the retrenchment in alternative positions. "Should some of our members be forcefully retrenched, we will attend to each case individually. Solidarity will therefore consider taking legal action if necessary," he said.

About 676 employees at Telkom have been placed in alternative positions, while 302 workers accepted voluntary retrenchment packages.

Source: BDPro via I-Net Bridge



Marius Croucamp say that Solidarity will take immediate action on behalf of employees if they are unfairly treated by MTN, Telkom or Cell C as phone companies try to reduce staff costs. Image: Twitter