

GMB @ WILKINSON

MEMBERS BULLETIN

GMB, your voice in Wilko



No 11 September 2013

WILKINSON BUSINESS / PAY UPDATE

Dear Colleagues

As you know, your GMB negotiators have been talking to the company about a pay rise. Unfortunately, the talks haven't been very productive because of the tough trading climate affecting many retailers, including Wilkinson.

To avoid any confusion, GMB asked for a national meeting of Senior Shop Stewards and company representatives. We felt it was important that your Senior GMB Shop Stewards heard first-hand what the company was saying about the trading position with the business and pay.

That meeting took place on 12th September. Your GMB Shop Stewards and Convenors heard that:

- 30 stores a day are closing on Britain's high streets.
- 54 significant companies, all household names, have gone bust in the recent past.
- 48,000 retail jobs have been lost.
- The footfall in shops continues to decline. It's down 5.5% this year, and that reduction comes on top of big drops in previous years.
- Wilkinson is not immune from this. - customer footfall has also declined in Wilkinson.
- Sales in Wilkinson have dropped.
- Margins are under huge pressure and capital expenditure has been reduced to cut costs.
- The fact the pound is weaker against the dollar is costing the company millions of pounds, as trading is done in dollars.
- Wilkinson has higher labour costs than the competition.
- The company has strong plans, and are working hard to keep the company healthy in this tough environment. The company are genuinely optimistic about a successful future, and positive about Christmas, but the business is currently suffering losses.

In the face of all of the above, the company is seeking to delay the pay negotiations until after Christmas. Whilst things are very tough, the business believes that the trading position will turn around in the run-up to Christmas, as it did last year.

The company side, whilst giving a very straight and hard overview of current trading conditions, do believe that the current competition is no fiercer than last year. The economy may be starting to improve and, crucially, Wilkinson has a strong plan and a good offer this year. Hence the company are optimistic of a successful Christmas and a positive end to the year.

Your Shop Stewards did present challenges to the company on your behalf, such as:

- The key point of difference between Wilkinson and its competitors has always been customer service. The cuts in numbers on the shop floor are damaging that key point of difference.
- Not paying wage rises at the anniversary date damages morale, which is vital for the company to be successful.
- The workforce in stores is frustrated at money they see being wasted on different initiatives in stores.
- Shop Stewards in distribution also voiced concerns about waste and company initiatives that cost a lot of money and ultimately don't deliver results.

The debate was useful and it was clear the company side accepted some of the criticism from GMB Shop Stewards about where money could be saved and, importantly, about communicating with staff how successful different projects and initiatives have been.

It is clear that competitors are paying the minimum wage and using zero hours contracts, thereby under-cutting decent employers like Wilkinson who want their staff to have proper contracts of employment. The company stated categorically that they have no intention of introducing zero hours contracts for Wilkinson staff. This is good news that GMB welcomes.

However, the issue remains that the company say they don't have the money to fund a pay rise at the moment. The business wants to see how Christmas goes, and providing it goes as well as expected, negotiate over a pay increase in the New Year.

Your GMB Shop Stewards and Convenors are mindful of the issues around communication and engagement over pay last year. Your Senior Shop Stewards and Convenors are going to be consulting you, the members, over the next few weeks about your views on pay.

In essence you have a choice: we try to pressure the company into making a pay rise before Christmas, and that will no doubt entail a serious falling-out, or we bide our time and see how the business performs over the Christmas period. There is a lot of optimism about the future for Wilkinson but there is no disguising the fact that there are significant short-term issues facing the business.

It is important that you speak to your Shop Stewards in the coming weeks and give them your views. We will reconvene at a national meeting with the company in a few weeks (the date will be notified in due course) to consider your feedback. GMB is a democratic union. Your Shop Stewards, Convenors and I care passionately about your views. Please make sure you are giving your feedback.

GMB has a proud record of defending jobs and increasing pay in Wilkinson, however tough things have been. If we stick together we will get through these difficult times, whatever the outcome of the consultation.

Yours sincerely,



GARY SMITH
GMB National Secretary

If you are not already a GMB member, join today!
Join on line at www.gmb.org.uk/join - it only takes a few minutes.

Your Voice in Wilko - JOIN GMB: www.gmb.org.uk/join