

ORGANISING IN THE HOSPITALITY SECTOR IN SOUTH AFRICA

A REPORT ON THE CONTEXT, CHALLENGES AND STRATEGIES OF ORGANISING HOTEL WORKERS IN SOUTH AFRICA



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1. Introduction

It is recognised that without strong organisation on the ground, the SACCAWU demands for centralised bargaining within the hospitality and catering sector will not be achieved. What is more complex though is to understand what the challenges of organising are, given the dynamics in the sector and the experience of shop stewards. Given the nature of the sector, it is further recognised that there needs to be a particular focus on the challenges of and responses to informalisation in the workplace. How are unions, through their policies and practices organising in companies where increasing number of workers are caught up in the confusion of flexibility, casualization, outsourcing, scheduling, short term contracts and temporary employment status.

The report which follows covers an overview of the sector in South Africa including the main players, and the outcomes and recommendations of focus groups held around the country with shop stewards organising in hospitality and catering companies. From these activities some recommendations can be drawn as to possible strategies and tools that may assist SACCAWU to organise more strongly in the sector.

2. Methodology

Literature review

Research into the current state of the hospitality sector and the industry outlook was conducted through a literature review. The literature review draws largely on the work done by the Society, Work and Development (SWOP) Institute¹ (which in turn drew on the HSRC report of 2005² and the Naledi report of 2001³).

Company performance and directors' fees of major hotel groups was drawn from the LRS MaNiaC database of South African multinationals⁴. Wage settlements and sectoral determinations are based on analysis from the LRS Actual Wage Rates Database (AWARD)⁵

¹Webster, E. et al, 2012, "Working in the Hospitality Industry in Gauteng", Society, Work and Development (SWOP) Institute, South Africa: University of the Witwatersrand.

² Human Sciences research Council (HSRC), 2005. "A Review of the Economic Profile and Structure of the Hospitality Industry in South Africa: Investigations into Wages and Conditions of Employment in the Hospitality Sector. P5-42

³ National Labour and Economic Development Institute (NALEDI), 2001, "Overview of South African Tourism and Hospitality Sector, South Africa: University of Natal.

⁴ <http://www.lrs.org.za/mnc/>

⁵ <http://southafrica.award.lrs.org.za/index.php?module=award&action=home>

Focus Groups

Four focus groups were held with SACCAWU shop stewards in the hospitality sector, two in Cape Town, one in Durban and one in Johannesburg. The reports of these meetings are included in the appendices.

The aim of the focus groups was to discuss the organising strategies and main challenges facing shop stewards organising in the sector with a particular focus on the challenge of organising workers employed on atypical contracts. The focus groups also explored possible strategies for overcoming these challenges as well as the needs of the shop stewards and the union in addressing them.

Regional and National meeting

Following the focus groups and literature reviews, a regional meeting of researchers brought together sister research organisations from South Africa, Namibia and Zimbabwe to discuss the findings of the research. Included in the meetings were organisers from the hospitality sector in Namibia and South Africa and union shop stewards organising in hotels. The discussions and input from these meetings served to challenge and confirm the findings of the research.

Finally, the National Shop Stewards Committee of Sun International South Africa came together for a two day meeting which included further discussions and elaboration of the challenges and strategies for organising in this hotel group.

3. Sector overview

The hospitality sector has grown increasingly quickly over the last decade and is now one of the fastest growing sectors in the economy. It is said that globally the business volume in this sector equals or even surpasses that of oil exports, food products and automobiles. In South Africa in 2009 the sector generated R179 billion of economic activity and 45 000 jobs through direct employment and a total of 1 0 11 000 jobs, representing 7.6% of total employment according to the CEO of the Tourism Business Council of South Africa.

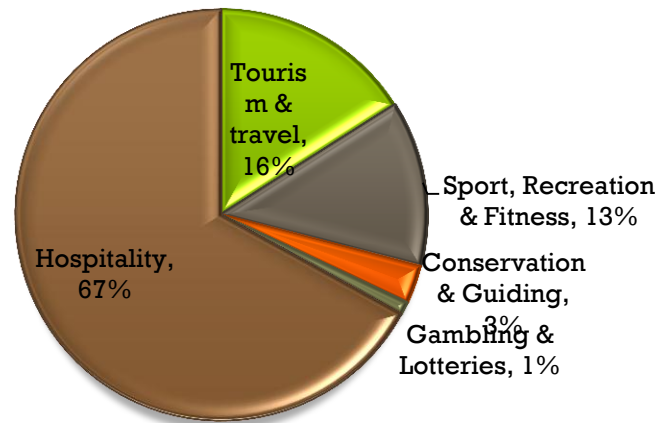
Hospitality forms part of the tourist industry. Tourism is the fourth largest generator of Gross Domestic Product in South Africa following mining, manufacturing and quarrying.⁶ It includes accommodation - hotels, bed & breakfasts, caravan parks, camping sites, inns, game lodges and time sharing of apartments at resorts and the food and beverage sector which - restaurants, coffee shops, tearooms, fast food outlets as well as other catering services. The

⁶ SWOP, *ibid.* 5

hospitality industry makes up 67% of all tourism in South Africa, followed by travel which constitutes 16% of the tourism sector⁷.

The hospitality sector covers a wide and diverse range of employers and operations. How does this impact on the unions' ability to organise and represent these workers?

FIGURE 1: ENTERPRISES BY SUB-SECTOR



Source: Human Sciences Research Council (HSRC, 2005:16)

Hospitality is by far the largest subsector in the industry with a total of 16 444 registered employers at 40430 enterprises in 2009. The vast majority of these are very small, micro and medium sized enterprises making up 90% of the sector, with very few large enterprises. The majority of hotels and restaurants are small enterprises employing less than 10 employees. Large establishments employ only 1.4% of the employees in the industry.⁸

TABLE 1: NUMBER OF EMPLOYEES PER ESTABLISHMENT.

Sub-Sector	0-9	10-49	50-149	150-249	250+
Hospitality:					
Accommodation	80%	15%	4%	0.9%	0.5%
Food	81%	17%	1%	0.1%	0.3%

Source: Human Science Research Council (HSRC, 2005:18)

The majority of operations in the hospitality sector are very small, employing ten or less people. How does this impact on the unions' ability to organise and represent these workers?

⁷ SWOP, *ibid.* 5

⁸ CATHSETA sector profile - (15846 small, 426 medium, 172 large. Small (0 – 49 employees), Medium (50 – 149 employees), Large (150 plus)

The focus of this report is on the hospitality subsector and hotels in particular as this is the dominant employer in the sector and also the employer that stretches most frequently beyond the borders of any one country.

a. Major South African Hotel Groups

TABLE 2: LISTED SOUTH AFRICAN HOSPITALITY COMPANIES

Alpha	Name	Market Cap JSE June 2012	Subsector	Sector
TSH	TSOGO SUN HOLDINGS LTD	22 236 000 574	Gambling	Trav & leis
SUI	SUN INTERNATIONAL LTD	9 177 629 741	Gambling	Trav & leis
FBR	Famous Brands Ltd	5 093 389 433	Restaurants & Bars	Trav & leis
CLH	CITY LODGE HTLS LTD ORD	3 318 289 432	Hotels	Trav & leis
SUR	Spur Corporation Ltd	1 610 941 745	Restaurants & Bars	Trav & leis
PHM	Phumelela Game Leisure	809 569 793	Gambling	Trav & leis
CUL	Cullinan Holdings Ord	718 355 204	Travel & Tourism	Trav & leis
COM	Comair Ltd	660 388 236	Airlines	Trav & leis
IFH	Ifa Hotels And Resorts	65 463 204	Hotels	Trav & leis
DON	Don Group Ltd	44 172 795	Hotels	Trav & leis

The South African hotel sector is dominated by three large listed and one unlisted company.

TABLE 3: SOUTH AFRICAN LISTED COMPANIES

Sector	Company Name	Home Country	Latest year end:	Market Cap at June 2012
Hospitality	City Lodge Hotels	South Africa	2012/06/30	R 3 318 289 432
Hospitality	Sun International	South Africa	2012/06/30	R 9 177 629 741
Hospitality	Tsogo Sun Holdings	South Africa	2012/03/31*	R 22 236 000 574

*Change of year end from December as of 2012.

Company	Hotels / Gaming	Employees	Location of operations
Tsogo Sun Holdings	90 hotels, 14 Casinos	10 001	Kenya / Mozambique / Nigeria / Tanzania / Zambia / Seychelles
Sun International	19 hotels with gaming	10 897	Botswana / Lesotho / Namibia / Swaziland / Zambia / Nigeria /// Chile
City Lodge Hotels	52 hotels	1 495	Botswana / Kenya

The merger of Gold Reef Resorts and Tsogo Sun Holdings concluded in February 2011. The merger has transformed the company into a leading gaming and hotel company in South Africa with some 94 hotels and 14 casinos under management. The merger increased the size of the Company approximately fourfold bringing it to within a hair's breadth of being one of the 40 largest corporations on the JSE, hence the Market Capitalisation size at June 2012.

Protea Hotel Group is unlisted. It was formed in 1984 now, according to their website – largest hotel group in Africa with over 100 hotels in 9 countries.

TABLE 4: HOTEL COMPANY SHAREHOLDERS

City Lodge Hotels		Sun International		Tsogo Sun Holdings	
Enderle SA * Founder / Chairman	10.47	Sun International Investments No. 2 (treasury shares)	9.5	Hosken Consolidated Investments Limited	41.3
Vuwa Investments (Pty) Limited (ZA)* - Empowerment partner	5.95	Dinokana Investments (Pty) Ltd#	6.05	SABMiller plc	39.7
The Injabulo Staff Trust (ZA)*	5.95	Investment Solutions	4.94		
Government Employees Pension Fund (PIC) (ZA)	4.69	Sanlam	4.82		
Aberdeen Emerging Market Smaller Co (LU)	4.52	Metal & Engineering Industries	4.1		

* Non-public

B-BBEE transaction which includes Dinokana, Sun International Employee Share Trust and the Sun International Black Executive Management Trust shareholdings.

The combined Tsogo Sun and Gold Reef Group has the Southern African Clothing and Textile Workers Union (SACTWU) as its largest shareholder via the HCI 41% shareholding. City Lodge Hotels includes in its major shareholders the Government Employee Pension Fund which represents workers in the public sector including members of NEHAWU, POPCRU, SADTU and SASPU. Protea Hotels too, is part owned by unions through the BBEEE transaction which sees a BBEEE consortium including POPCRU and FAWU as shareholders. Further, although not a major shareholder, the Transnet Pension Fund holds more than one per cent of Sun International shares. SATAWU members are part of this fund and sit as trustees on the board.

How can unions leverage their investments in the hotel companies to campaign for decent work in the sector?

Company performance

TABLE 5: REVENUE AT THE MAJOR HOTEL GROUPS

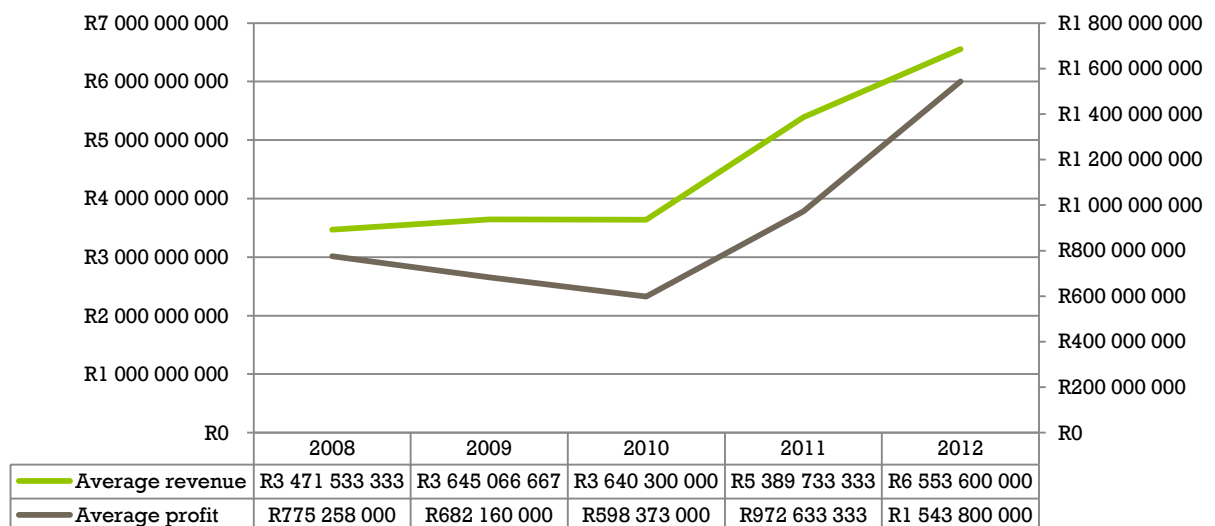
Revenue	Sun International	City Lodge Hotels	Tsogo Sun Holdings	Total	Average
2008	R 7 618 000 000	R 599 900 000	R 2 196 700 000	R 10 414 602 008	R 3 471 533 333
2009	R 8 041 000 000	R 665 000 000	R 2 229 200 000	R 10 935 202 009	R 3 645 066 667
2010	R 7 961 000 000	R 749 100 000	R 2 210 800 000	R 10 920 902 010	R 3 640 300 000
2011	R 8 892 000 000	R 790 200 000	R 6 487 000 000	R 16 169 202 011	R 5 389 733 333
2012	R 9 754 000 000	R 875 800 000	R 9 031 000 000	R 19 660 802 012	R 6 553 600 000

TABLE 6: PROFIT AT THE MAJOR HOTEL GROUPS

Profit	Sun International	City Hotels	Lodge	Tsogo Holdings	Sun Total	Average
2008	R 1 732 000 000	R 334 800 000		R 258 974 000	R 2 325 776 008	R 775 258 000
2009	R 1 456 000 000	R 353 000 000		R 237 480 000	R 2 046 482 009	R 682 160 000
2010	R 1 238 000 000	R 344 000 000		R 213 119 000	R 1 795 121 010	R 598 373 000
2011	R 1 220 000 000	R 245 900 000		R 1 452 000 000	R 2 917 902 011	R 972 633 333
2012	R 1 332 000 000	R 281 400 000		R 3 018 000 000	R 4 631 402 012	R 1 543 800 000

The figures show that the South African hotel industry was affected by the economic recession of 2008 with revenue and profit figures falling from that year through to 2010. However, the recovery of both sectors seems well underway with both average revenue and average profit more or less doubling in the last two years.

FIGURE 2: AVERAGE HOSPITALITY COMPANY PERFORMANCE



As the sector expands it is becoming more competitive, with some large hotel companies, like The Don, exiting the sector entirely due to the high levels of competition resulting from the recent entry of numerous new hotels, as well as the expansion of existing hotels in South Africa apparently putting too much pressure on their profit margin. This sentiment is mirrored in the results of a PWC survey⁹ that found that the number of hotel rooms available in SA rose by 1 600 between 2005 and 2008 and then even more steeply by 9 700 between 2008 and 2009 by the time the world economic conditions had begun to worsen leading to greater competition to fill those rooms. This is reflected in the decreasing profit shown across

⁹ PWC, Making room for revenue: South African hospitality outlook: 2011 – 2015, July 2011

the sector. Growth slowed sharply during the latter part of the year; the economy declined in 2009, and the recovery in 2010-11 was less robust than the growth rates recorded in the mid-2000s. The FIFA World Cup had an impact on spending in the sector in 2010 but did not have a lasting impact on the growth in profitability after the one-off event. The month-long tournament was expected to attract a large number of visitors, which further stimulated hotel construction to accommodate those visitors even though it was known that the impact would be temporary¹⁰.

The expectation of foreign tourists was 380 000 people staying an average of 15 days¹¹. Many entrepreneurs within the sector used their savings to open new or expand existing businesses. The table below illustrates the growth of the accommodation sector which could be due to the anticipated demand brought by the World Cup. As became common knowledge, many of these rooms remained vacant as visitor expectations were not met, the numbers were lower and tourists stayed for shorter periods.

TABLE 7: THE AMOUNT OF BEDS AT GRADED HOTELS 2007 - 2010

Level	2007	2010	Difference
5 Star	8013	10 295	2282
4 Star	12 585	21 049	8464
3 Star	23 714	26 698	2984
2 Star	3559	4185	626
1 Star	3156	3645	489

Source: du Plessis & Moennig, (2011: 360)

In focus group discussions, particularly in Cape Town, the perception of shop stewards was somewhat different to that of the industry. They noted that for workers, the impression is that the situation has not improved and that 2012 is considered the toughest year in the industry for a long time - the international market is drying up, and five and three star hotels are competing for custom. This is impacting on workers' wages and conditions. Workers are threatened with retrenchment and therefore accept short-time, low or no increases, and are required to fulfil several functions within the hotels for no extra wages or recognition. Increasing informalisation is used to bring down the wage bill and workers feel more and more vulnerable, even those that have worked in the same hotel for many years. This puts further strains on shop steward and organisers as in agreeing to these compromises shop stewards may be seen as failing workers which makes it difficult to recruit new workers to the union.

Economists predict that faster growth has returned to the economy as of 2011 which should translate into higher numbers of travellers taking up accommodation. However, the same PWC report notes that "all the key players in the industry have reduced costs as far as possible" as they look to a future with lower returns than before.

¹⁰ PWC, *ibid.*

¹¹ du Plessis & Moennig, 2011 cited in SWOP, 7.

Directors

Under the economic conditions highlighted in the previous section, the question arises as to how management fees have reflected the strains and falling profits of the sector over the past years.

Workers are constantly asked to moderate their demands in the face of poor economic conditions and falling profits. Is the same true of management, whose fees are drawn from the same pool as workers within the bargaining unit?

TABLE 8: CHIEF EXECUTIVE OFFICERS

Company Name	Name	Surname	Gender	Nationality	Age at year end
City Lodge Hotels	Clifford	Ross	Male	South Africa	55
Sun International*	Gareth	Collins	Male	South Africa	65
Tsogo Sun Holdings	SB	Joffe	Male	South Africa	41

*Sun International (SISA) has seen a change of leadership in the past year. Gareth Collins has been acting CEO at SISA since December 2011 after the resignation of David Coutts-trotter. In November 2012 it was announced that Graeme Stephens would take over as CEO in February 2013

In 2012, the average CEO salary in the listed hotel companies was R3 681 000, a slight drop from 2011 but a near 40% increase on the salary in 2008. Remuneration for the same group of CEOs, which includes benefits and bonus, has also risen substantially over the years. From 2011 to 2012 it rose 39% to over R8 million.

TABLE 9: AVERAGE CHIEF EXECUTIVE FEES

	2008	2009	2010	2011	2012
CEO Average Salary	R 2 649 267	R 2 987 771	R 3 345 768	R 3 724 063	R 3 681 000
CEO Average	R 5 487 709	R 5 751 159	R 5 429 623	R 5 928 877	R 8 205 950
Change in Average Salary		13%	12%	11%	-1%
Change in Average Remuneration		5%	-6%	9%	38%

FIGURE 3: CEO FEES IN LISTED HOTELS

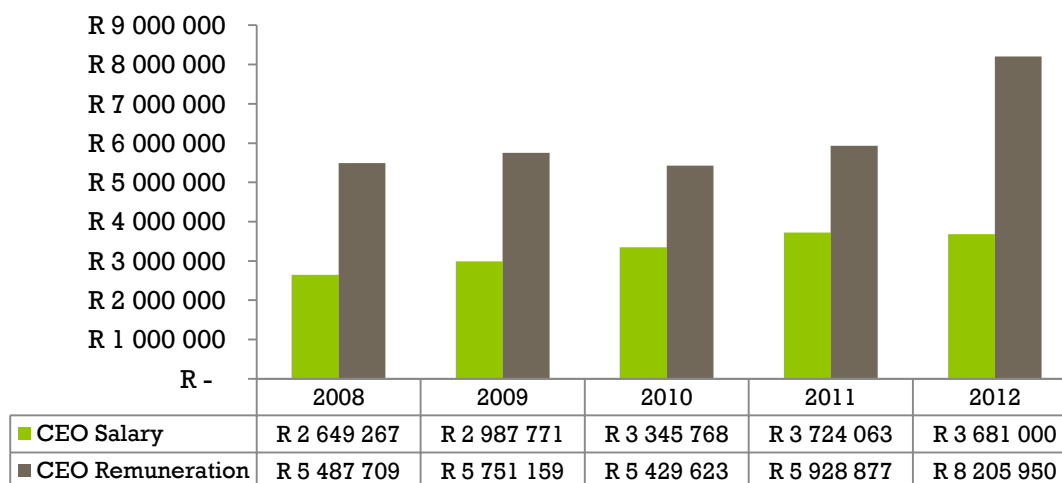
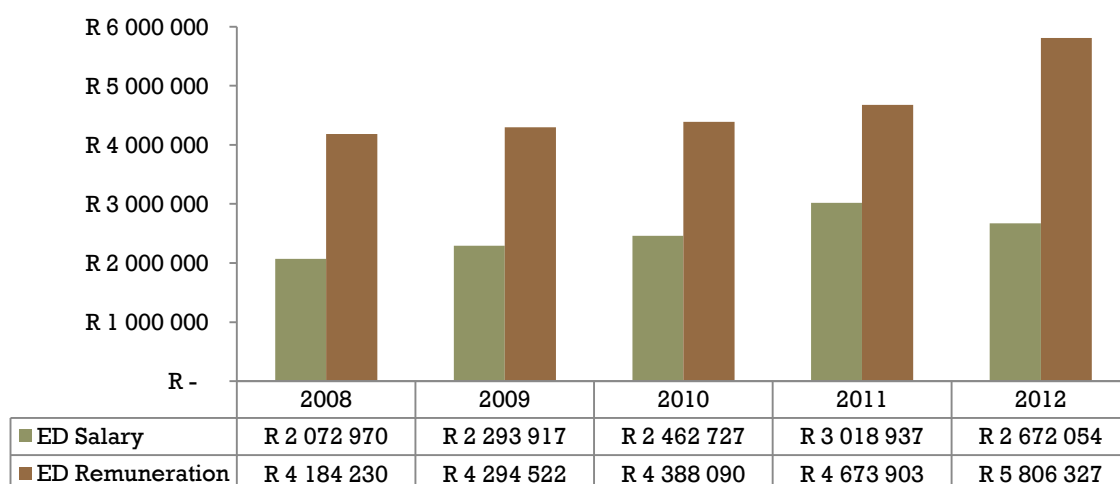


TABLE 10: AVERAGE EXECUTIVE DIRECTOR FEES

	2008	2009	2010	2011	2012
Average Executive Director Salary	R 2 072 970	R 2 293 917	R 2 462 727	R 3 018 937	R 2 672 054
Average Executive Director Remuneration	R 4 184 230	R 4 294 522	R 4 388 090	R 4 673 903	R 5 806 327
Change in Average Salary		11%	7%	23%	-11%
Change in Average Remuneration		3%	2%	7%	24%

Although slightly lower than the CEO group, the executives as a whole are currently seeing salaries at an average for 2012 of nearly R3 million and remuneration of nearly R6million.

FIGURE 4: AVERAGE EXECUTIVE FEES IN LISTED HOTELS



From the analysis above it appears that the worsening economic conditions in the sector that impacted on both profit and revenue have had no impact on management fees which continue to rise steadily.

In addition to their regular payments, the executive directors of Tsogo Sun Holdings had service contracts with Gold Reef. These contracts were terminated with effect from 24 February 2011, the date of the merger. On termination the outgoing four executives were paid out for the period 1 January to 24 February 2011, just under two months. This amounts to an additional R52, 044, 000 in total between four departing executives - over R13 million rand each. These figures include nearly R50 million in contract settlement costs and R777 000 in

share options that vested early. For the fourteen months therefore, these executives received R69, 873, 000 - an average of R17, 468, 250 each.

b. Industry Outlook

Continuing the turnaround noted by the industry, it is predicted that the upswing for the sector will continue, particularly for the three, four and five star hotels where total room revenue is set to increase from R8.6 million to R11.6 million between 2012 and 2016, and average of 9% growth year on year.¹² They further predict a rise in the number of travellers from Africa and Asia to South Africa to 16.85 million which will fuel growth in the accommodation industry during the next five years.

In the face of the cautiously optimistic news, companies in the sector are also looking to refurbish and expand. PWC note that all the major groups are planning refurbishments and some new openings in 2013.

A report by Hospitality Partners Association in February 2012 notes that there are a number of international brands seeking a foothold in Africa through South Africa. Accor, Starwood and Hilton have announced aggressive expansion plans in Sub-Saharan Africa¹³.

CEO of Hilton Worldwide says of the expansion " We have a good base [in Africa] with over 30 [hotels] and 19 more in the pipeline. But in another 5 years we will have more opportunity to expand and build that base. We are here because demand is here; growth is strong" Additional hotels will be built in South Africa...and in Chad, Sierra Leone and Uganda.

Carlson Rexidor Hotel Group which operates and owns the brand Radisson Blu and Park Inn by Radisson is set to build 47 new hotels between 2010 and 2015¹⁴. It is the fastest growing hotel group in Africa.

The Hilton and Rezidor Hotels in Africa are owned by local parties that bring the capital and operational know-how. The groups lend their brand and act in a managerial capacity. The partnerships operate in varying combinations of public and private.

4. Employment / Labour

The HSRC points out the contradiction at the heart of the hospitality sector: The hospitality industry is a labour-intensive industry and working conditions are pressurized with long and

¹² PWC, *ibid*.

¹³ Hospitality Partners Association of South Africa, The outlook for 5-Star hotel market in SA is looking brighter, 14 February 2012, <http://www.hpasa.com/5-Star-hotel-market-in-south-africa.htm>

¹⁴ Faeza Ballim, 'Africa ripe for hotel bonanza', Mail & Guardian, 5 – 11 October 2012, p. 11

irregular hours, low wages and a lack of job security. It is increasingly characterised by informalisation where those within permanent employment work side by side, often in the same jobs, with people who have far less secure conditions of employment. However “employees are the first point of contact for all visitors, and if South Africa is to become known as a global destination for leisure and entertainment activities, it cannot do so under so-called 'sweat shop' conditions”.¹⁵ And yet it does.

The sector employed around 112 131 people in 2010, a steadily rising number according to CATHSETA chamber guide (2008 – 97153, 2009 – 96663, 2010 – 112131). The majority of these workers, nearly 60 per cent of them, are under 35 years of age (59.87%; those 35 – 55: 36.98%, those over 55: 3.15%)¹⁶

Thirty per cent of labour in the hospitality sector is classified as unskilled. While there has been a steady increase in the number of employees in this sector, general workers dominate the industry by 72%. Most of the employment opportunities remain labour intensive.¹⁷

According to THETA, Conservation and Tourist Guiding together with Hospitality are the sectors that employ the highest percentage of black people, with more than 70% of the workforce being black and majority of them in lower skilled occupational categories.

The figure below illustrates the composition of job categories as per the racial groupings. There are a large number of Africans in jobs such as craft workers (67%), technical tasks (78%) and the unskilled (83%). The overwhelming majority (78%) of managers are white.

TABLE 11: DISTRIBUTION OF RACE BY EMPLOYMENT LEVEL

	White	African	Indian	Coloured	Total (%)
Managers	78%	13%	3%	5%	100%
Craft workers	12%	67%	4%	17%	100%
Admin	39%	26%	14%	20%	100%
Technical	8%	78%	9%	5%	100%
Unskilled	2%	83%	1%	15%	100%
Other	7%	70%	14%	9%	100%

Source: Human Sciences Research Council (HSRC, 2005:28)¹⁸

A picture emerges of an industry dominated by young, black, female workers in low skill, low pay employment that is further seen as precarious given their contracts and working conditions. What can be done to make the union a home for these women?

¹⁵ HSRC, 2005: 6. In SWOP, *ibid*

¹⁶ CATHSETA Chamber Guide

¹⁷ SWOP, *ibid*.

¹⁸ SWOP, *ibid*.

A key feature of the industry is noted by the THETA which point out the major impact of “business outsourcing”, or labour broking, in the sector and that this trend is impacting on wage levels, job security and other benefits. Services such as cleaning, babysitting, training, security, payroll, information technology, call centres, catering and others are being outsourced and more than half of hotel staff is not employed by hotels but by different service providers.

a. Informalisation / Vulnerable work

In the ILO 2002 resolution containing conclusions concerning Decent Work and the Informal Economy,¹⁹ the informal economy is defined as:

*“All economic activities by workers and economic units that are - in law or in practice - not covered or **insufficiently covered by formal arrangements**. Their activities are not included in the law, which means that they are operating outside the formal reach of the law; or they are not covered in practice, which means that – although they are operating within the formal reach of the law, the law is not applied or not enforced; or the law discourages compliance because it is inappropriate, burdensome or imposes excessive costs”²⁰.*

According to the ILC definition, workers who may be covered by statutory regulation which is either inadequate, or difficult to impossible to implement, are also categorised as informal economy workers.

From this and other studies it has become clear that the hospitality sector is increasingly serviced by informalised workers. Many of these are migrants, both cross border and internal who travel to cities for work and are made particularly vulnerable to exploitation through either their lack of documentation or their lack of permanence and family in their place of work. Reports from shop stewards highlight how migrant workers are prepared to work for lower pay, to pick up anti-social shifts on public holidays and to work for managers in a private capacity for no extra pay in order to keep their jobs. They are also less likely to join unions as this may endanger their status with the employers. A large and increasing number of workers in the sector are labour broker workers, or outsourced workers, which is a further form of informalisation and vulnerability as workers no longer work at the companies that employ them. The place they work has no responsibility, social or personal, for them and they can lose their employment from one day to the next with no recourse.

Informalisation though refers not only to outsourced workers but workers that are put on flexible time shifts and schedules which change from week to week, casual and short contract workers who are never sure when they will have work and all workers who are increasingly

¹⁹ International labour Organisation, ILC 2002, 3. <http://www.ilo.org/ilc/ILCSessions/90thSession/lang--en/index.htm>

²⁰ Ibid.

expected to move around the workplace and fulfil various tasks for a single rate at the whim of the employer. And all of this done in order to save the employer in labour costs and thus increase the profit margin for shareholders. Given this goal of employers, it is clear that these efforts to extract as much work from employees for as little cost as possible will not change, unless it is to increase in intensity.

The need for unions to address these changes if they are to successfully organise and represent workers in a time when workers doing the same jobs seem to fall into so many different categories of employment, when jobs seem to be interchangeable, when wages and benefits are constantly being challenged.

Insight into the challenges of organising workers in hospitality and how unions are dealing with changing conditions of work may assist activists in coming up with tools and strategies to address the new shape of the workplace and improving organising.

Focus group discussion revealed further the many forms of informalisation that leaves no worker untouched.

b. Union Density

The SWOP analysis counts 13 unions organising in the sector but notes that South African Commercial, Catering and Allied Workers Union (SACCAWU) is the most representative, counting a membership in the hospitality industry of 40 000 workers, of which 20 000 are in Gauteng.²¹

i. Wages and conditions

Wages

According to research by NALEDI, more than 70% of workers in the sector are not covered by collective agreements or Bargaining Councils.²² This means that most workers in the industry are protected only by the sectoral determination for the sector which is the minimum wage and work conditions laid down by the minister of labour in order to protect workers in industries that are seen as particularly vulnerable to exploitation and where there is a very low level of representation by organised unions.

That so many workers in the industry are protected only by the sectoral determination highlights the urgent need to organise and represent workers across this sector.

²¹ SWOP, quoting (Patricia Nyman-Appollis, 12/06/2012), *ibid*.

²² SWOP, *ibid*.

Under the sectoral determination, wages in the hospitality sector is defined by the size of the company (less or more than 10 employees).²³ The wage level depends on the size of the enterprise. There will therefore be two sets of minimum wages, one referring to companies with less than 10 employees and one referring to companies with more than 10 employees. These are all nominal wages, the wage level that is negotiated and which is what the workers will see on their payslips. It must be borne in mind that these very low wages are still subject to the impact of inflation on how much these workers can actually purchase.

A study by the Labour research Service in 2012 shows that over the past five years at least, there is always a big gap between the wage workers earn under SD 14 (nominal wage) and their actual buying power – or real wage, and that this gap is in fact increasing. Workers' nominal wage increases are becoming smaller every year²⁴. A reason for that might be how the new minimum wage is set. The sectoral determination for hospitality states that the next minimum wage should be: previous minimum wage + CPI + 1%, so if CPI is 5 per cent for example, it means that the next year's minimum wage equals previous wage + 6% (5+1=6)²⁵. The problem with this is that the sectoral determination picks its inflation numbers from the CPI-publication PO141 published in April every year²⁶. This means that the year-on-year inflation refers to change from April one year to April the following year. So it doesn't follow the sectoral determination for hospitality, which sets the wage period between 1 July and 30 June every year. This means that the inflation isn't perfectly matched in the sectoral determination to the real period the wages are supposed to be valid during. There is therefore a big risk that the numbers for inflation will differ from the ones that actually refer to the period the minimum wage was valid for. After a quick look backwards in time, this is true. The inflation numbers used in the sectoral determination is also often lower than the one we have calculated²⁷, meaning that the wage increase is negatively effected (it becomes smaller than it would have using another inflation number).

²³ <http://www.mywage.co.za/main/salary/minimum-wages/hospitality>

²⁴ LRS, 2012 Report on Wages in Hospitality, Unpublished

²⁵ <https://www.labour.gov.za/downloads/legislation/sectoral-determinations/basic-conditions-of-employment/HOSPITALITY%20SECTOR%20WAGES%20AS%20FROM%201%20JULY%202011.doc>

²⁶ <http://www.statssa.gov.za/Publications/P0141/P0141April2011.pdf>

²⁷ In this report we have used the actual inflation change between the two periods to obtain the real wage. That is, if the minimum wage has been set for period of 1 July 2010 to 30 June 2011, we have taken the exact inflation for 30 June 2010 to 30 June 2011, and the difference becomes our estimate for the inflation increase in the said period. When calculating the change we have looked at the index values.

FIGURE 5: COMPANIES WITH LESS THAN 10 EMPLOYEES. INFLATION USED TO CALCULATE REAL WAGE WAS CPI

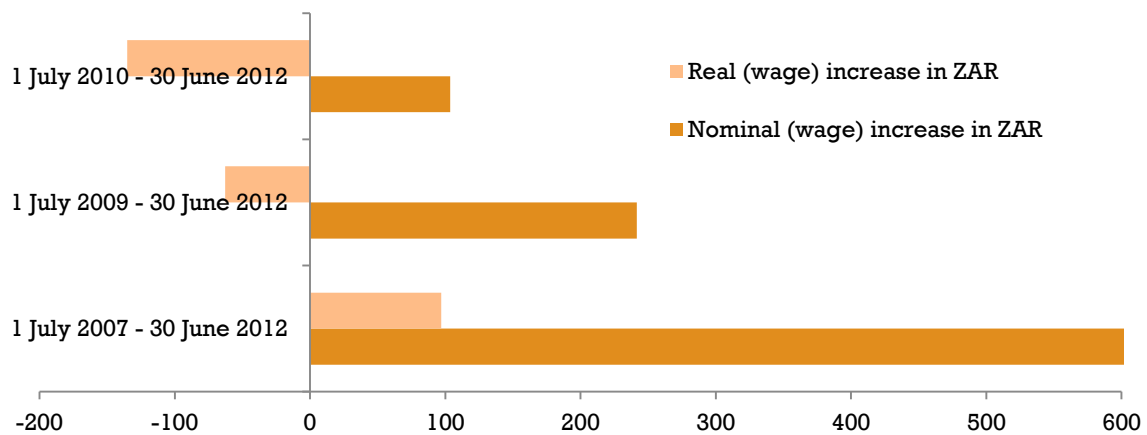


FIGURE 6: COMPANIES WITH MORE THAN 10 EMPLOYEES. INFLATION USED TO CALCULATE REAL WAGE WAS CPI

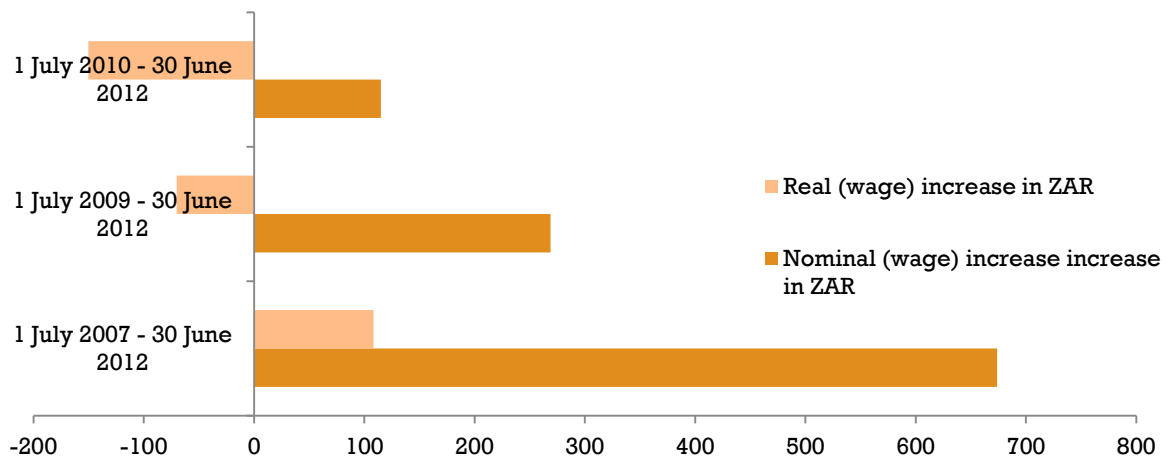
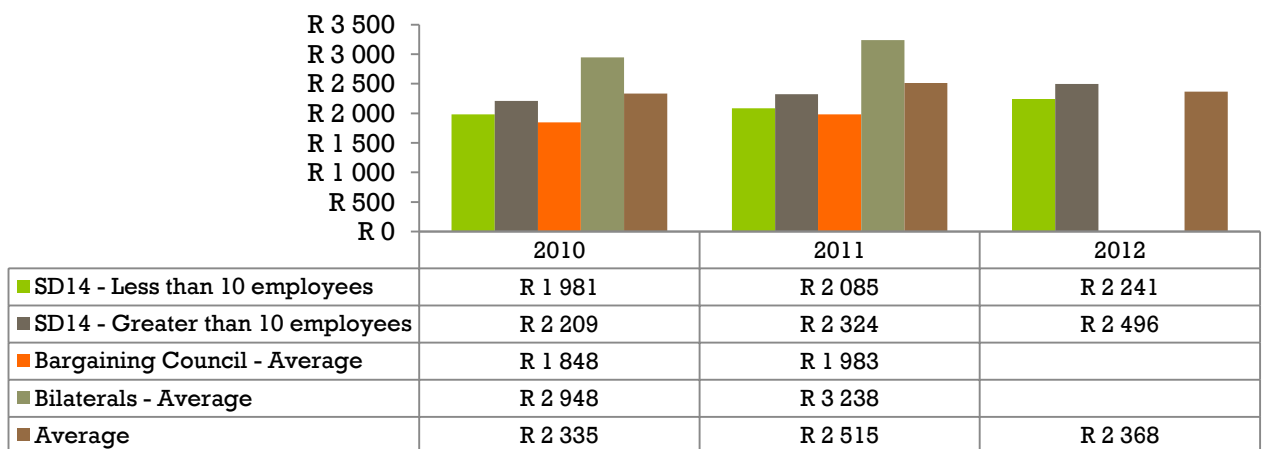


FIGURE 7: MINIMUM WAGES IN THE SOUTH AFRICAN HOSPITALITY SECTOR

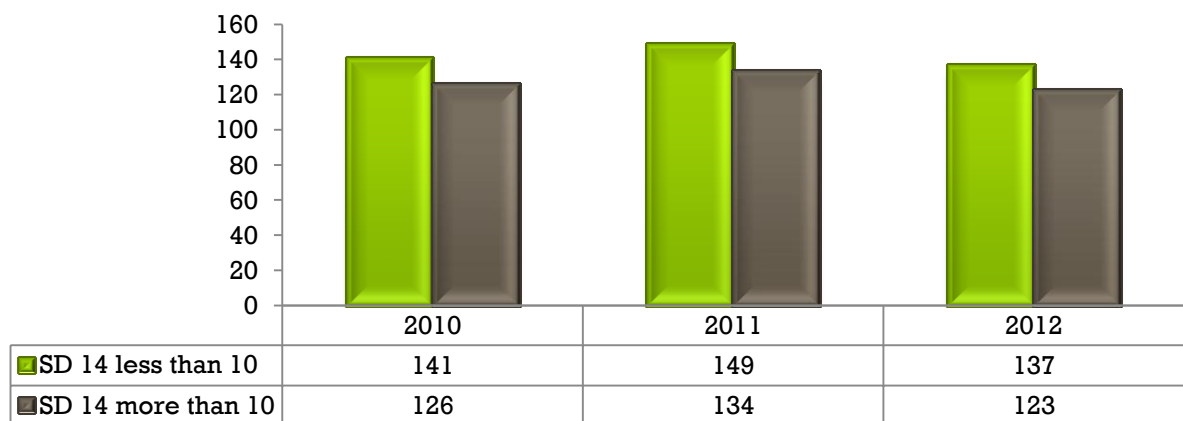


The Wage Gap

How many years would it take a minimum wage worker to earn an executive salary?

The annual wage for a worker earning the sectoral determined minimum in a company with less than 10 employees is R26, 892. In a company with more than ten employees it is R29, 995. We calculate that it would take one of these workers 137 and 123 year to earn the average salary of CEOs in the sector. This is longer than a working life, longer than a natural life too! It should be noted that with the increased use of outsourcing, it is not even clear if these low wages are equivalent to what the lowest earning workers in any single workplace are taking home.

FIGURE 8: THE WAGE GAP BETWEEN CEO SALARY AND WORKERS' WAGES



Unions need to discuss and decide what an acceptable gap between what the highest and lowest earning workers in a company are earning.

Conditions

The sectoral determination also specifies the minimum benefits that a worker in the sector should receive.

Hours/day: 45 hours in a week, 9 hours a day for an employee working five days or fewer in a week, eight hours in any day if the employee works on more than five days in a week. Extension of ordinary hours, overtime, working nights, compressed working weeks etc. can also happen but is also strictly regulated in the number of hours.

Remuneration: An employer shall pay an employee in respect of each hour or part thereof (excluding overtime) worked by an employee on any day other than a paid holiday or a Sunday, not less than the hourly minimum rate.

Bonus: Employees are entitled to an annual bonus at the end of December each year or upon termination of employment equivalent to the full monthly wage. The prorated bonus will be

the number of months of service divided by 12 and multiplied by 4.3 times the employee's weekly wage.

Sick leave: During every sick leave cycle (36 months) the employee is entitled to paid sick leave equal to the number of days the employee would normally work during a period of 6 weeks.

Maternity leave: The employee is entitled to at least 4 months of consecutive maternity leave. The employer is not obliged to pay for this, but it can be agreed by the parties to be an obligation. A worker on maternity leave is at least eligible for some payment from the UIF-fund. Those who can claim paid maternity leave are: employees who are on Maternity Leave & have contributed to UIF each month, holder of a green bar coded SA ID book and Foreign Nationals must have a valid Foreign Passport, employees who have not claimed UIF within the last 4 years (unless it was a maternity claim). **Categories of workers who cannot claim are: employees who work less than 24 hours per month, learners, and public servants, foreigners working on contract and commission earners.**

Family responsibility leave: Full-time workers may take 3 days of paid family responsibility leave during 1 year in most sectors.

Annual leave: 3 weeks/15 days of annual leave is at least required. 1 day for every 17 days worked or 1 hour per four every 17 hours worked. The leave must be granted not later than 6 months after completion of the period of 12 consecutive months of employment. The leave may not be granted concurrent with any period of sick leave, nor with a period of notice of termination of the contract of employment.

Social security: The Unemployment Insurance Act has been amended to include this sector. According to this, the employee and the employer are respected to contribute 1 per cent each of the workers' wage towards the fund. That is, 1% of the worker's wage is deducted and the employer needs to contribute another 1%, making a total of 2% of the workers wage to be paid to UIF. The Unemployment Insurance Act and Unemployment Insurance Contributions Act apply to all employers and workers, except for; workers working less than 24 hours a month for an employer; learners; public servants; foreigners working on contract; workers who get a monthly State (old age) pension; or workers who only earn commission.

Disputes: If there has been a contravention on the sectoral determination the worker can contact and refer the issue to the Department of Labour*. The dispute will then be handled by an inspector. First the inspector will attempt to solve the complaint telephonically. Second, if the issue is not dealt with, a compliance order will be issued by the inspector. Third, if the

matter remains unresolved the inspector will refer the dispute to the labour court. If there is a dispute, not concerning the Sectoral Determinations but to unfair treatment including unfair dismissal, the worker can refer the dispute to The Commission for Conciliation Mediation and Arbitration. (CCMA)*.²⁸

5. Challenges and strategies for organising in the sector

Focus group sessions were held with SACCWU hospitality and catering shop stewards in three provinces. Two were held in Cape Town, one in Durban and one in Johannesburg. The reports of these focus groups are included in the appendices.

The aim of the focus group was to understand the challenges and issues facing workers in the sector and what the union is currently doing to respond to these challenges. A particular focus was the challenges of and responses to informalisation in the workplace. The participants drew on this to make recommendations to strengthen the work of the union in terms of education, research and information.

It was recognised at the focus groups that the challenges to organising take various forms. Some of these challenges can be dealt with and removed, some are due to the current economic climate will perhaps change over time, and some are part of the very structure of the hospitality sector and will require unions and organisers to find ways of organising around them. Others can be faced but will require the unions themselves to change their way of operating.

a. Challenges based on the nature of the sector

The wide diversity of establishments in the hospitality sector, and even just the hotels and accommodation establishments in the sector, covering everything from five-star hotels to camping sites bring challenges to unions for organising workers who find themselves in very different circumstances and conditions despite being in the same sector. Not just in terms of diversity of establishment but also size of establishment, where 90 per cent of workers are in very small locations with two or three other workers, presents challenges. How does the union, given the human and financial limitations of the organisation, not only recruit, but represent workers that are quite isolated in these tiny establishments, in a meaningful way that allows workers to actively claim their rights as workers with the backing of the union. Is it possible for the union to be visibly present to these workers, and if not, how best to support them?

²⁸ All the information about the benefits and wages referring to the Hospitality Sectors comes from the Sectoral Determination and its amendments available here: <https://www.labour.gov.za/legislation/sectoral-determinations/sectoral-determination-14-hospitality/>

b. Challenges based on the nature of the work

Shift work: A key feature of work with hotels is shift work. Hotels run 24 hours a day, 7 days a week and workers must be present at all times. This impacts on workers in a variety of ways. They are often forced to work anti-social hours, to find transport late at night and are often working over weekends and other family times. From an organising perspective shop stewards noted how the shift system makes it difficult to gather workers together for meetings or to find a good time for recruitment, particularly if management is obstructive and only allows recruitment at certain times.

Difficulties of access: As noted in the SWOP report, hotels are spaces that are designed for luxury and leisure. Access to these places is therefore restricted by management as they are reluctant to break this atmosphere of workers meeting in their client space. Unions therefore have to plan around this and find time, linked to the shift work issues, and spaces, linked to the access issue, to meet workers around these restrictions which is not always easy and may require repeated attempts and multiple meetings.

Gender issues: As noted above, the majority of workers in the industry are young women. Focus groups report higher levels of bullying and intimidation by management not to join unions directed at young women. Further, young women workers have specific issues that need to be addressed in order to make the union a home for them. Union structures though continue to be dominated by men. The challenge of both organising women and representing them is that of recognising and owning women's specific issues in hospitality – such as employment equity, sexual harassment, health and safety and maternity issues. In order to raise these with management they first have to be faced within the union structures themselves, a challenge that has to be met at an ever escalating level as the issue becomes more pressing. SACCAWU has been at the forefront of developing a full gender department in the union, convening gender councils and conferences and electing gender co-ordinators on multiple levels. The union has a national gender co-ordinator and eight regional gender co-ordinators, who are all administrators in their respective regions. The national gender chairperson sits on the national executive structures of the union. The union has also developed guiding workplace policies on gender issues. The evolving nature and focus of this role, particularly in an industry that employs such a high number of young women in vulnerable positions and under challenging working conditions is very important. Resources and training need to ensure that at every level women workers have access to the policies and coordinators so that these policies become practices across work places.

Informalisation issues: It is noted that within the sector there is a shrinking pool of permanent workers working next to an ever growing worker base of fixed time contractors, casuals, temporary, scheduled and outsourced workers. These new forms of employment

present challenges to unions on how to organise and represent workers. Questions arose in the focus groups as to whether these workers could be recruited, and if so, how, using what laws and strategies. Once recruited, shop stewards wanted to know how they should represent these informalised workers and how to engage the companies on their working conditions. These questions highlighted the need for increased education of shop stewards so that they could be capacitated to organise all forms of workers.

This challenge came to the fore when shop stewards were asked to measure the union density at the companies at which they organised. In doing so most shop stewards did not count workers beyond the core of permanent employees as among those who could be recruited. This highlighted the need for emphasising that ALL workers need to be organised, and how.

A further challenge is how the levels of informalisation, a situation created by management, is further exploited by management to divide workers making it more difficult for workers to act in Solidarity. Once workers perceive themselves as distinct and in competition with other workers it is far more difficult to engage with management on substantive issues. It was noted that all these changes in the workplace have been designed and implemented to save money for management and yet it seems to be setting workers against each other as they define themselves in opposition based on these imposed categories. Unions need to recognise the changed environment and develop new strategies for organising workers.

The specific challenges noted by shop stewards included various forms of informalised workers.

Immigrants: It was noted that there are high and increasing levels of immigrant workers in the workplaces. This has several implications for organising.

Participants felt that immigrant workers were an easy target for management abuse as they do not know their rights or are willing to give them up in order to keep their jobs. For example they do not question when they are given shifts on public holidays and are also known to not only work in the shop but also to work in a private capacity for management without further wages. This vulnerability makes immigrants popular with management as they are cheaper and easier to control. On the other hand it sews divisions among workers who see immigrants as destroying the hard won gains for conditions that South Africans have fought for as well as making it more difficult for locals to get jobs.

Foreign workers are encouraged by management to see South African workers as lazy and having too many rights and that the unions encourage this, even as they themselves are abused. Where immigrants have joined unions, it is reported that South African workers are not always willing to join the union if they see that foreigners have joined it. This attitude is seen as nurtured by management who are perceived to encourage South Africans to see themselves as different as and better than foreign workers. The opposite is also true. While

these divisions are encouraged by management, participants acknowledged that a lot of the problem is with workers themselves and this consciousness must be overcome. The divisions only play into the power of the management and yet they are created and nurtured by the workers themselves.

Contract, scheduled and casual workers: Like immigrant workers, casual workers are abused by management because they are in a more desperate situation. For example, in the case of scheduled hours, where permanent employees refused to work scheduled hours, management offered casual workers permanent positions on condition they signed on for scheduled hours. In this way the union's strategies are undermined as most people will agree to this as the aim for all workers is to have permanent employment and the security and stability this seems to offer. Too often though it is the workers who accept these conditions, rather than management who impose them, who are seen as the guilty parties.

Participants noted problems with organising casual workers or were often unaware that it was possible to organise them as they are not around much or for long and not permanent employees of the company.

Outsourcing, Labour Brokers, Service Providers: Labour broker workers are known to tell organisers that their boss has told them not to join the union. It is often difficult to convince them that it is safe to join the union and keep their job. In fact, the message is that their job should be safer once they join the union. It was discussed that in fact all workers are vulnerable as we are all being forced into atypical work as soon as the bosses want workers to work scheduled shifts or fulfil duties out of our jobs for no extra pay

c. Challenges from Management attitude

"I don't want to hear the story of your union things with my staff because I know you are the poison in this shop." (reported threat of management to shop steward)

Except in a few cases, management is seen as highly hostile towards the union, both bribing workers to stay away from the union and also being openly threatening towards union shop stewards. Despite the fact that it is breaking the law, on-going practices of management include offering loans to workers and better salaries if they agree to leave the union. Pre-written letters of resignation from the union are also available from a manager where the member only has to sign that they want to leave the union. Further, the shop stewards find they have to constantly deal with the perception that workers feel they will be fired if they join the union. This attitude of management appears to be endorsed from above, with owners instructing managers to stop the union in the style of Wal-Mart.

Further, union members are victimised when they are given fewer shifts and flexi-time unorganised workers are given more shifts. This sometimes makes it appear that being a

union member is harmful to ones opportunities but has also had the reported effect of setting worker against worker as permanent workers feel it is unfair that flexi-time workers have the same number of shifts as them. Instead of directing their grievances at management, workers seem to hold it against each other and call those with more shifts “management’s baby”

Participants noted a further tactic of management in one company of promoting a company union to rival SACCAWU and giving it more space and opportunity to organise while limiting SACCAWU until SACCAWU was no longer representative. However, the failure of this union to make gains at the bargaining table resulted in an illegal strike, dismissals and the collapse of that union.

6. Current Union Strategies

As noted above, some of the obstacles to organising workers in the sector cannot be removed; they are within the nature of the sector and will have to be continually faced. Some of them can and have been addressed by the union in some companies or in other related sectors. These gains need to be generalised through communication and education so that they can be built on. In SACCAWU the retail sector campaigns and strategies have preceded those for hospitality, which sometimes presents problems for shop stewards and organisers in a multi-focussed union where retail giants take up so many of the resources and are also far more represented in the union. But shop stewards in the sector can and have also learned from those organising in retail. For example, in the case of Sun International, there is much to be gained from sharing and discussing the experiences of shop stewards in Shoprite and Pick n Pay when it comes to setting up a regional network of shop stewards in the Sun International that can begin to campaign for better conditions across operations.

Organising the informalised

In interviews for the SWOP report, interviewees report that obstacles to traditional trade unionism have led SACCAWU to a number of organizational innovations which has enabled them to organise informalised workers. Further, in the focus groups some union organisers note that work has been done to organise casuals workers, immigrants and labour brokers.

In some cases, where undocumented foreign workers are being organised, management is known to say that because the workers are undocumented they cannot be recruited to a union. SACCAWU’s successful response has been that if management does not allow SACCAWU to recruit the workers they will report them for breaking the law and hiring undocumented workers. This has proved successful although clearly it increases the antagonism between the union and management.

An organiser at a focus group noted that SACCAWU has an organising strategy for labour brokers using Section 21 of the LRA to push for a collective bargaining agreement with their actual employer and wage payer. This has been successful in a number of instances.

What was also clear was that many of these strategies have not been communicated to shop stewards which is essential to extend the policy and practice.

Organising women: SACCAWU has recognised the need to address the needs of the high proportion of women working in the sector in relation to all its organising sectors – commercial, catering and hospitality. They have appointed a national, regional and company level gender co-coordinators and has developed pioneering policies on gender issues such as paternity agreements and facilities for child care.²⁹ As per the policy of SACCAWU, SISA has a National Shop Stewards' Council amongst other leadership, a National Company-based Gender Coordinator who should also serve within national negotiating team and a company shopstewards' council. Other companies that have complied with this constitutional requirement are Southern Sun and City Lodge within Hospitality, Leisure and Tourism sector whilst in almost all national companies within Wholesale & Retail sector these structures exist. The gender coordinators require support and training on how to press for not just typical women's issues but also for career pathing for women in the sector and employment equity in companies. These tangible goals will really benefit women in the sector and also assist the union in attracting women to join. Perhaps such a position should also be replicated in other hotel groups.

7. The Way Forward:

In order to translate the policies of SACCAWU into organising practices there are some suggestions for the way forward. Some of these require an allocation of budgets in a technical sense, some require training and others sharing. What is key is that in such a diverse sector, gains that are made in one company must be generalised in order to set them as a norm. Otherwise even the strongest shop stewards and organisers will be fighting to keep those gains at each engagement rather than moving on to new challenges.

Training needs

In focus group participants expressed the critical need for further training in order confidently represent the union, to represent workers more successfully in disciplinaries and

²⁹ Interview with SACCAWU Gender Coordinator, Patricia Nyman-Appollis, in SWOP, Ibid.

negotiations and also to be more successful at recruiting all workers. Training needs identified included -

- The shop stewards wanted to know more about the companies and the sector they work in, their performance and pay strategies as well as the CSR activities so that they can better engage management on relevant issues based in empirical knowledge of the situation. How to get and use this information effectively was voiced as a key skill for shop stewards.
 - Many participants expressed the desire for increased shop steward training on organising and recruitment but also on the LRA and representing workers in disciplinaries. Shop stewards are at the forefront of organising but many in the room were new shop stewards felt under-equipped to face the challenges of organising and representing members, a situation which also puts the union in a bad light and does harm to attempts to organise. This is seen as particularly urgent given the difficulties some face when interacting with management which seen as trying to portray union membership in a negative light for workers and implying union membership as a threat to promotion and job security.
 - Information on recruiting informalised workers such as immigrant workers, labour brokers, and casual staff. The participants need the knowledge of the SACCAWU strategies that have been used to organise these workers in other companies and in other sectors so that they can use the in their own places of work.
 - Inflation and other basic numeracy skills
- It was noted that there should be some sort of beginners' course or information pack for newly recruited members on what the union is, how it functions, how to access information. This information should be in a format that is easily understood and perhaps languages other than English should been considered.

Information and communication:

As noted throughout, the need to communicate strategies, gains, challenges and information between shop stewards and organisers in the sector, and also with the head office is seen as key to supporting organising in the sector and to allow it to be more visible in the union in general. However, shop stewards noted a lack of access to computers and emails in their locals. While it is acknowledged that financial resources are scarce, the urgency of internet connectivity in ensuring the sharing of information, access to legal precedents and company documentation, communication of challenges and solidarity should raise it amongst the

priorities of budgetary spending. In this way too, even members in small enterprises can have access to information and also have a chance to upgrade their skills and knowledge through the local offices.

Addressing informalisation – learning from each other to generalise the gains:

There is a strong need for awareness raising among shop stewards and members that ALL workers are the same and need to be recruited to the union. Until workers realise this management will deepen the divisions and continue to exploit perceived differences between workers to make them increasingly vulnerable and open to abuse. This consciousness needs to be raised first at shop steward level as this is what carries over to members.

With regards to strategies within hotels, a meeting with the National Shop Stewards Committee of Sun International revealed how many gains can be made with regard to organising in the sector and informalised workers in particular. With regard to informalised workers, the Committee has achieved more than simply organising and representing them, they have managed to negotiate core contracts for scheduled workers and are in the process of negotiating the full employment of labour brokers. The full report of this is contained in a recent study related to the current one³⁰. Shop stewards in other hotel groups and regionally should have the information on how this was achieved available so that similar campaigns can be launched. However, it was made clear that, as always, these gains were hard won by the union members and required militancy on the part of workers. Likewise, despite these gains shop stewards highlight the continuing need to be vigilant and the goal of management to control labour costs has not changed despite the victories won by the union.

With regards to women in the sector, as noted above, the Committee has a network of gender coordinators throughout the hotel operations who are tasked with mainstreaming gender issues in the company. While the processes are not without its challenges, this way of addressing issues can certainly be explored in other hotel chains and countries.

Facing the challenges of the hospitality sector:

The wide diversity of the hospitality sector, and even just accommodation establishments in the sector, covering everything from five-star hotels to camping sites, brings challenges to unions for organising workers who find themselves in very different circumstances and conditions despite being in the same sector. How does the union, given the human and financial limitations of the organisation, not only recruit, but represent workers some of

³⁰ Sahra Ryklief, Ibid.

whom are quite isolated, in a meaningful way that allows them to actively claim their rights as workers with the backing of the union. Is it possible for the union to be visibly present to these workers, and if not, how does it best to support them? The increasing informalisation of work in hospitality further challenges the traditional models of union organising and representation and requires that the union adapt in order to succeed in this new context.

What is suggested here is that the union has made gains in this regard, particularly at the larger establishments where shop stewards are winning precedent setting battles for workers. These shop stewards need to be supported in their work in establishments where the union is strong, and their victories, strategies and challenges need to be communicated to others so that they can be generalised across the sector and begin to set new standards in this challenging industry.

8. Appendices

1. Establishments covered by hospitality chamber
2. Focus group Reports
 - a. Western Cape, 16 March 2012
 - b. Western Cape, 23 August 2012
 - c. Durban, 1 June 2012
3. Johannesburg, 5 September 2012
4. Industry organisations – employer and employee
5. Wage settlements in the sector

Appendix 1: Establishments covered by the hospitality chamber

The comprehensive range of establishments, varying from campsites to five star hotels, includes:

- Accommodation services: Hotels, motels, hostels, guesthouses, guest farms and bed-and-breakfasts; Self-catering resorts / timeshares (incl. apartments and cottages), campsites and caravan parks; Resorts and game lodges;
- Food preparation, catering and food and beverage services: Restaurants, licensed clubs, and fine dining establishments; Bars, pubs and taverns ('shebeens'); Fast food outlets, snack bars, canteens, kiosks and tea rooms;
- Industrial and contract caterers (incl. private clinics); Function and outside caterers;
- And the operation and management of convention centres within the niche tourism MICE (Meetings, Incentives, Conventions and Exhibitions) market³¹

³¹ CATHSETA

Appendix 2: Focus Group Reports

(to be inserted here in final document)

Appendix 3: Industry organisations – employer and employee

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Organisation	Sub-sector/description
Tourism Business Council SA	Umbrella body representing business sector in tourism on macro-issues; Members include trade associations and individual businesses.
THETA	Training body for all sub-sectors related to tourism and hospitality, conservation, sport and recreation.
The Federated Hospitality Associations of South Africa (FEDHASA)	Hospitality trade association including, hotels, restaurants, caterers, self-catering, time-sharing, home hosting (B&B, guesthouses), suppliers, consultants and service providers to hospitality industry; conference venues, country clubs and taverns.
National Accommodation Association	Trade association for smaller establishments- 1-30 bedroom establishments. 1500 members
Bed & Breakfast Association of South Africa (BABASA)	Mostly Small, Micro and Medium Enterprises SMME's including lodges, guest houses (1- 15 rooms), B&Bs (1-6 rooms) & caterers. Mostly informal and "unregistered", partnerships and "mom and pop" shops.
National Council for Tour Guides	Represents tour guides and adventure operators (e.g. bungee jumping etc.)
National Association of Catering Employers (NACE)	Employers organization in the catering industry In the process of registering as an employers' organization
South African Commercial and Catering Workers' Union (SACCAWU)	Trade union: Hotels, restaurants, tourism, gambling. Congress of South African Trade Unions (COSATU) affiliate
Hotel, Liquor, Catering & Allied Workers Union (HOTELLICA)	Trade union representing hotel and catering employees. National Council of Trade Unions (NACTU) affiliate
Commercial Catering, Accommodation Workers' Union (CCRAWU)	Independent trade union- breakaway from South African Catering, Commercial and Allied Workers' Union (SACCAWU) mainly hospitality sector

The key employer organizations in the industry are listed below:

1. FEDHASA- Federated Hospitality Association of South Africa
FEDHASA is a 60-year old representative body which seeks to grow an inclusive hospitality industry providing a unified voice to enhance and promote the development and growth of a South African hospitality trading environment. This association is an employer association. FEDHASA mitigates issues for employers and lobbies government with regard to issues that directly affect the industry such as the new liquor and smoking

³² ECC REPORT ON THE INVESTIGATION INTO A SECTORAL DETERMINATION FOR THE HOSPITALITY SECTOR-2010, ibid.

regulations. It is a voluntary association and current membership nationwide comprises of about 2400 businesses.

2. **CATRA- The Restaurant and Food Services Association of South Africa**
CATRA is a registered employers association. It specializes in labour disputes, disciplinary hearings, training and policies on disciplinary enquiries.
3. **SATSA- South African Tourism Services Association**
SATSA is a non-profit association which represents the private sector. It represents transport providers, tour operators, destination management companies, accommodation suppliers, tourism brokers, adventure tourism providers, business tourism providers and tourism service providers. SATSA members have to conform to the highest standards in the tourism industry, which are checked annually.
4. **SATOUR- South African Tourism**
An association for hotels and restaurants as well as other different sectors of the tourism industry. For instance travel agencies, sport and recreation enterprises and lottery and gaming companies
5. **RASA- Restaurant Association of South Africa**
RASA is a non-profit organization that was formed to act in the interest of the South African Restaurateur and to ensure that there have a lobby and a voice to speak on their behalf³³.

The thirteen unions involved in the industry are listed below³⁴.

FAWU	Food & Allied Workers Union
CCRAWU	Club Caterers, Retail and Allied Workers Union
CEU	Catering Employees Union
CGSA	Caterers Guild of South Africa
FEDSAS	Federation of South African Self Caterers and Hospitality
HIAWU	Hospitality Industry and Allied Workers Union
FGWU	Food and General Workers Union
HOCAFAWU	Hospitality, Catering and Farm Workers Union
HARWUSA	Hotel and Allied Restaurant Workers Union
ICHAWU	Independent Commercial, Hospitality and Allied Workers Union
SACCAWU	South African Commercial, Catering and Allied Workers Union
SACA	South African Chefs Association
SALTA	South African Liquor Traders Association

³³ SWOP ibid

³⁴ Ibid.

Appendix 4: Wage Settlements in the Hospitality Sector

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FIGURE 9: WAGES AND SETTLEMENTS BY SECTOR 2010/2011

	AVERAGE MINIMUM WAGE 2010 (R)	AVERAGE MINIMUM WAGE 2011 (R)	CHANGE IN AVERAGE MINIMUM WAGE 2010-2011 %	MEDIAN SETTLEMEN T LEVEL 2011 %	NUMBER OF WORKER S	NUMBER OF AGREEMENT S FOR 2011
Wholesale & Retail Trade	2 925	3 237	10.7	9.3	81519	145
Hotel & Other Accommodation	3 101	3 110	0.3	8	1761	42
Manufacturing	3 625	3 938	8.6	9	329	15
Catering & Restaurants	2032	2135	5.1	7	35458	45
Community & Social Services	2 836	3 587	26.5	8.8	75	19
Finance & Business Services	2 196	2 691	22.5	9.4		16
ALL SECTORS	2 894	3 193	10.3	8	119 142	160
AWARD BENCHMARK	3218	3511	9.1	8	3 504 608	

BILATERAL: Agreements concluded between a single employer and one or more trade unions. Bilateral agreements include large national companies with many plants or branches and small employers with a single outlet.

BARGAINING COUNCIL (BC): Agreements concluded between associations of employers and one or more trade unions

FIGURE 10: WAGES AND SETTLEMENT BY BARGAINING LEVEL 2010/2011

BARGAINING LEVEL	AVERAGE MINIMUM WAGE (R) 2010	AVERAGE MINIMUM WAGE (R) 2011	CHANGE IN AVERAGE MINIMUM WAGE 2010-2011 (%)	MEDIAN SETTLEMENT LEVEL 2011
BILATERALS	2 948	3 238	9.8	9.0
Restaurant, Catering & Allied Trade BC Wits	1 666	1 800	8.0	8.0
Restaurant, Catering & Allied Trade BC Pretoria A	1 977	2 115	7.0	7.0
Restaurant, Catering & Allied	1 901	2 034	7.0	7.0

³⁵ Labour Research Service

Trade BC Pretoria B				
OVERALL	2 965	3 362	13.4	9.0

SECTORAL DETERMINATION: Agreements covering workers in designated industries.

FIGURE 11: SECTORAL DETERMINATIONS - MINIMUM WAGES 2010-2011

BARGAINING LEVEL	AVERAGE MINIMUM WAGE 2010 (R)	AVERAGE MINIMUM WAGE 2011 (R)	CHANGE IN AVERAGE MINIMUM WAGE 2010- 2011 (%)
Domestic Workers Sectorial Determination	1 507	1626	7.9
Contract Cleaning Industry Sectorial Determination A	2 059	2229	8.3
Farming Industry Sectorial Determination	1 316	1376	4.6
Forestry Industry Sectorial Determination	1 191	1276	7.1
Hospitality Industry Sectorial Determination	2 096	2204	5.2
Private Security Industry Sectorial Determination 1	1 986	2126	7.0
Taxi Industry Sectorial Determination	2 002	2142	7.0
Wholesale & Retail Trade Industry S/D Area B Cleaner	2 208	2286	3.5
Wholesale & Retail Trade Industry S/D Area B Cashier	2174	2251	3.5
Wholesale & Retail Trade Industry S/D Area B Merchandisers	2044	2116	3.5
Wholesale & Retail Trade Industry S/D area A Cleaner	2083	2150	3.2
Wholesale & Retail Trade Industry S/D Area A Cashier	2646	2742	3.6
Wholesale & Retail Trade Industry S/D Area A Merchandisers	2485	2574	3.6
Civil Engineering Industry Sectorial Determination	3394	3694	8.8
OVERALL	2 085	2 199	5.5

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