

# Union failure: over 2,000 Tesco employees at risk

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Tesco announced the closure of 43 unprofitable shops as part of some drastic cost-cutting measures. Despite the tremendous Union's efforts, the Company has shown no signs of reversing its decision.

Tesco, the world's second largest retailer by revenue, outlined a new strategy seeking to breathe life into its economy, win back shoppers and revive past fortunes. This included a series of unscrupulous changes to its business, such as closing some unlucrative shops to the detriment of its workers.

Dave Lewis, the new Chief executive at Tesco, said: "The decision to close these stores has been exceptionally difficult to take. I recognise it will affect many hard working colleagues, our customers and the communities in which these stores are situated".

While the announcement was well received by the Stock Exchange - Tesco shares rose drastically by 17% on news of the turnaround plan - the same cannot be said for the staff. Employees have felt let down by the proposal and completely unsure about how this will influence their future.

"We have some very difficult changes to make, but it is essential we safeguard the future of our business" Mr Lewis added.

Lately, in fact, the chain supermarket has endured one of the most torrid periods in its 96-year history. Tesco has had to grapple with fierce competition, which caused a decrease of its profits. A price war has been triggered in the UK supermarket sector, with the arrival on the scene of the two aggressive German discounters, Lidl and Aldi.

According to data from Sanford C. Bernstein, prices at Tesco were 6% higher than Asda over the last year. People, on the lookout for bargains, seem to prefer shopping elsewhere.

Usdaw, the recognised trade union for Tesco's employees, has expressed deep concern about the question and pledged to be by the side of its members throughout this "difficult period of uncertainty".

Since January, the Union has pressed for dialogue with the Company. It has tried to challenge the closure decision, do its best to keep job losses to a minimum and optimise redeployment opportunities for affected staff.

Usdaw National Officer, Pauline Foulkes, said that the store closures were "devastating news" for the staff "who have worked hard to make their shop viable during a difficult time for the company".

She added: "We are committed to supporting, representing and protecting our members and reps during this difficult period and we will be seeking the best possible outcome for them".

Also Unite, whose subscribers work across the Tesco distribution network as drivers and warehouse operatives, has been extremely worried over Tesco's conduct and the job security of its members.

Unite national officer Adrian Jones said: "Our members who deliver day in day out for Tesco, many of whom have done so for a great number of years, are now extremely concerned about their futures.

"We all know that Tesco's mantle has wobbled recently but it is deplorable that management are now making the workers pay for failure at the top. This is on the same day that it announces the appointment of another CEO whose remuneration package will be staggeringly high compared with our members."

The big day has nearly arrived and nothing has been changed. The Express and Homeplus stores on the "black list" will close their shutters this Sunday, March the 15<sup>th</sup>.

In Bristol Cribbs, a major Homeplus outlet will shut down putting at risk the jobs of 57 employees. As stated by a member of the staff, 1/10 of them will be re-employed in other Tesco stores, and only with a part-time contract.

The lady spoke out: "At the moment, in this store, we all have full-time jobs. The proposition of a part-time contract is not enough for us; most of us have family to maintain, kids to feed. Even the manager of the store, who has worked here for 29 years, will be losing her job herself. That's unbelievable. The Union hasn't done anything practical for us. Our best chance is to find a new placement elsewhere".

The Union's action has not produced the expected results. Lewis' promise, to offer alternative roles within Tesco to the colleagues who will lose their jobs, seems to have been broken. Approaching the end of an election cycle, perhaps now is the right time for English politicians to take the next step.