

FOR PSA MEMBERS: WESTERN CAPE BLOOD SERVICE (WCBS)

10-04-2020

Update: Cost-of-living salary adjustment for 2020

Members will recall that a mandate for a proposed salary adjustment effective from 1 April 2020, as determined by an Individual Performance Appraisal (IPA) rating with a base increase of 4.5 % and a weighted performance reward of an average of 1.5 % for performance, was called for.

The PSA was called to an urgent meeting with the employer on 7 April 2020. The primary issue of discussion was the WCBS response to the volatile economic environment it finds itself up against since the sudden COVID-19 lockdown. The employer informed the PSA that all expenses were revised and non-essential expenses were removed. In addition, suppliers are being approached to reduce costs. This all owing to the sudden rand/dollar exchange rate crash as well as a drop in sales.

The PSA raised concerns regarding the financial sustainability of the company and job security of staff during these trying times. The employer assured the PSA that retrenchments are not on the table, this despite the fact that salaries make up almost 48% of the budget.

The next question arising from the conversation was, *“What happens to the proposed salary adjustment for 2020?”* The employer responded as follows:

- Salary Increases will be deferred
- All vacant posts will be frozen
- Executive directors’ and managers’ salaries have been voluntarily reduced, and
- Non-executive directors’ fees will not be paid

These decisions will be applied for the next two months and will then be reassessed. The employer is thus not abandoning what was “on the table” but is deferring the matter for two months.

The PSA raised disappointment in the decision. However, the PSA is not blind to the times of uncertainty the country is facing and salutes the employer for being able to retain all staff in full employment during the lockdown.

Members are assured that the PSA will monitor the situation and engage with them, via shop stewards, on the way forward.

GENERAL MANAGER