

## Actions Speak Louder Than Words

Fujitsu recently celebrated at the Responsible Business Gala 2016 at the O2 arena in London. It's great that Fujitsu wants to be seen as a responsible business, and many of the initiatives taken are really worthwhile.

Unite leafleted the gala, suggesting how Fujitsu could be a more responsible business by treating staff fairly:

1. Becoming an accredited Living Wage employer
2. Ensuring no employee has a pay freeze or a below-RPI pay rise, given their £120m profits
3. Working with UNITE to investigate and address the 16% gender pay gap identified by the union
4. Restoring the bonus that was cut to fund the National Living Wage

### Inside you can read more detail.

Instead, despite healthy profits, many staff without collective bargaining have learned that they are getting no pay "rise" this year, and many more are seeing their pay continue to fall relative to the cost of living.

**We are all making the company's success, but we certainly aren't sharing in it.**



## Fujitsu Voice-less?

Just at the time when staff expect major changes following the "Mirai" reorganisation at EMEA level, the company has unilaterally given notice to terminate Fujitsu Voice from January, without any roadmap to a replacement – a process likely to take about a year. UK staff will be totally reliant on union organisation for a voice.

**The termination would also end the redundancy framework which covers all those without union recognition.**

**Don't be Voice-less. Joining UNITE costs between £2.17 and £15.14 a month. There are details at <http://www.ourunion.org.uk/join.htm>**

## 1. Becoming an accredited Living Wage employer

In 2010 action by UNITE members won agreement from Fujitsu to establish a minimum salary level for all UK employees and to review it annually.

For the last few years Fujitsu Services Limited has followed the Living Wage, giving a significant boost to lower paid employees.

However, Fujitsu has not applied the Living Wage to workers who aren't directly employed, even including those working for its FSESL subsidiary.

Accredited Living Wage employers gradually apply the rate to their subcontractors instead of using them to undercut their own staff. Every worker deserves decent pay.

## 2. Ensuring no employee has a pay freeze or a below-RPI pay rise, given their £120m profits

Inflation is now 1.9% and average earnings are up 2.2%.

Year after year Fujitsu staff have suffered pay "rises" that don't keep up with inflation – if they get one at all. Median Fujitsu pay rates have fallen far behind over time. For example, the TSM1 median is 21% lower in real terms than in 2010 – and these are often the people the company expects to justify poor pay to the rest of us.

According to Fujitsu's own figures, roles paid below £55K are typically paid less than market rates. When Fujitsu isn't competitive it isn't because we're all overpaid!

## 3. Working with UNITE to investigate and address the 16% gender pay gap identified by the union

The company is refusing to provide details of its gender pay gap until forced to do so by legislation expected later this year. But UNITE used data provided for pay bargaining to demonstrate that women in the Manchester bargaining unit were, on average, paid £5484 less than men.

Pay gaps can exist for several reasons. Women in the same role could be paid less. Roles with more women could be paid less than other roles of equal value. Or women could be concentrated in lower-value roles.

Unequal pay reflects a Fujitsu pay system that is unfair for everyone – it is arbitrary, inconsistent and opaque – and needs tackling.

## 4. Restoring the bonus that was cut to fund the National Living Wage

Staff employed by FSESL, the wholly owned subsidiary employing hundreds of people to do similar work to directly employed staff in Engineering Services, are paid very badly.

When George Osborne's "National Living Wage" (lower than the real "Living Wage", see below) was introduced, many FSESL staff weren't even paid that. Fujitsu responded by slashing bonuses for FSESL staff, many of whom said they were worse off after their pay rises.

Ministers condemned companies that acted this way and said they would apply pressure to comply. Senior management are jeopardising future business by penny-pinching from the lowest paid Fujitsu staff.



## Explaining UK Wage Rates

	Minimum Wage 21-24	Minimum Wage 25+ ('national living wage')	Living Wage
	£6.70	£7.20 from April 2016	£8.25 across the UK and £9.40 in London
Is it the law?	Law	Law	Voluntary
What age group is covered?	21 and older	25 and older	18 and older
How is it set?	Negotiated settlement based on recommendations from businesses and trade unions	A % of median income, currently at 55% it aims to reach 60% of median income by 2020	Calculation made according to the cost of living, based on a basket of household goods and services
Is there a London Weighting?	No London Weighting	No London Weighting	Yes - there is a separate higher rate for London

# Manchester Striking?

Members in Manchester have voted by 2:1 in favour of strike action and action short of strike in a consultative ballot over **pay, pensions and job security**. UNITE will now organise a legally valid postal ballot, while reps continue to seek agreed resolutions on all the issues.

The company made three **pay** offers, but none of them were acceptable to members, so no agreement has been reached. UNITE's pay claim included:

- A 5% pay pot
- £1000 Cost of Living element for everyone
- Improve redundancy payments to enhance job security
- Accredited Living Wage employer and minimum salary of £8.75 an hour
- Tackle the gender pay gap and benefit anomalies
- Increase consistency of Out Of Hours payment eligibility
- Shorter working week for those on >37 hours

The **pensions** issue arose when the ICL DB trustees made a large and retrospective cut to the "Late Retirement Factor" (LRF). This meant a cut in the affected part of an individual's pension by 3.75% for each year you were over 60 e.g. 15% for someone aged 64.

As Fujitsu is responsible for the liabilities of the pension scheme, they profit from this dramatic and unfair cut to benefits, yet they refused to even negotiate over compensating those affected.

UNITE is also pushing the company to set up a consultation body for the scheme and for a mechanism for plan members to elect the "member nominated trustees".

As well as the **job security** aspect of the pay claim, members have been outraged at the treatment of Lynne Hodge, who had her job taken off her without consultation, breaking agreements. The company agreed to put Lynne back in her job, but hasn't done so.

As well as being a serious issue for Lynne herself, members see it as vital to defend the agreements so that maverick managers can't take jobs off anyone else in this way.

A number of high profile UNITE reps, including Lynne, have seen attempts to "manage them out" because of their union role. Allowing the company to pick off reps would make everyone more vulnerable and members don't intend to allow this to happen.



## What about the rest of us?

Most staff and most UNITE members aren't in any of the existing bargaining units, and face similar issues to our Manchester colleagues, but without the same level of organisation or the agreements they have won.

Alongside the dispute in Manchester, UNITE is campaigning nationally too. It's no use grumbling about the annual pay cut or jobs being offshored unless we do something about it. We're not in as strong a position to win a higher pay rise for 2016, but the company will keep on driving down our living standards as long as they think that will raise profits. Every bit of organising and campaigning you do now puts you and your colleagues in a stronger position.

UNITE has a number of national campaigns planned in Fujitsu for the rest of 2016. If more people join and get involved, it will be possible for staff in more sites, units or accounts to win union recognition and collective bargaining.

Wins on some of the issues in the Manchester dispute, such as Living Wage accreditation and tackling the gender pay gap, would clearly have a direct benefit elsewhere.

Manchester members have decided that if they have to go ahead with a strike, they will send strikers round the country to help staff at other sites organise, but we shouldn't wait for that.



# Fujitsu Role Framework

Since at least April, HR have been secretly working on a new job and grading system called the Fujitsu Role Framework or FRF. Fujitsu plans to regrade every job in the world by April with the bulk of the work completed by mid-December.

In mid-August they finally got round to telling the unions and Fujitsu Voice, but information is still sketchy. UNITE members are receiving updates from their reps as the situation unfolds.

Just as with SFIA, the company is initially claiming that it won't affect pay and benefits. However, the entire Fujitsu Reward system, including pay and benefit comparators, is built on the role codes. What is more, FRF appears to use a lot from the Towers Watson "Global Grading System", which is explicitly designed for reward management and to help employers defend against equal pay claims.

A proper job and grading system would be a huge step forward, but the secrecy, haste, and lack of consultation don't inspire confidence that this will be good news for staff.

## Permanent Health Insurance

Before the company closed its final salary pension scheme, staff who became so ill they were unlikely to work again had access to ill-health early retirement.

The current pension schemes offer no equivalent benefit, but the company put in place "Permanent Health Insurance" (PHI) which was designed to pay half your salary until you recovered, died or reached state pension age.

The PHI scheme, which covers nearly 8000 UK staff, costs Fujitsu about £1.7m a year. About 50 employees are in receipt of benefit worth about £1.2m a year.

Now Fujitsu plans further cuts to benefits, claiming that the PHI scheme is generous compared to competitors. They haven't explained why they aren't planning to increase other elements of the package (e.g. pay) which are low compared to competitors.

The main change Fujitsu is proposing is to limit cover to five years, so that staff would be totally reliant on inadequate state benefits after that time. The health insurance would no longer be "permanent" so Fujitsu want to rebrand it as "income protection" rather than PHI.

HR say that the change is only for new hires and that there are "no plans" to do the same for existing staff. We've all heard that before – there are never any plans until you've made them. For example closure of the final salary pension scheme started with new hires only.

The company now agrees that the anticipated savings have been exaggerated, as most of the staff on PHI for over five years are on TUPE terms and the company acknowledges that it would continue having to match terms for new transferees. However the company is keen to press ahead anyway.



...and the winner of this week's "Race to the Bottom" is...

## Safe Option?

When big changes are coming, "keeping your head down" while the company strips you of redundancy and redeployment rights and your rights to information, consultation is not the safe option. It simply allows the company to slice jobs, pay and benefits as it sees fit.

The safe option is to speak up together with your workmates rather than on your own. That's what a union is all about.

From Junior Doctors to Sports Direct workers and Deliveroo riders, unionising gives workers a strong voice for secure work with decent pay and pensions.



[www.unitetheunion.org/introduce](http://www.unitetheunion.org/introduce)