

POST WORKER

'Share In Success' (Episode 2), or 'Here we go again...'

Allan Leighton has announced another 'Share In Success' bonus scheme for this year, which is promising a payout of £400 if we make £600 million profit before April 2006. No doubt you have had another 'Share Certificate' arrive in the post.

Once again, Leighton has avoided negotiating this with CWU HQ before making his announcement. Obviously, with everyone in Royal Mail being on such low pay the promise of a £400 lump sum payout is attractive.

But work it out as a weekly payment and it is only about £7.70 per week. Or in other words the equivalent of just a 2.5% pay rise. When you look at it like that, it isn't so great. Especially as Leighton wants everyone to work harder and make more and more efficiencies and savings to produce his £600 million profit.

If Royal Mail can afford to give everyone £400, then it can afford to give us an extra pay rise of £7 or £8 a week. Lump sums are here today and gone tomorrow. But if £7 or £8 a week was put into our basic pay, then it would still be there on a weekly basis next year and every year after that. It would be pensionable as well.

The more important priority is to drive up the level of the basic wage. In last year's Pay Deal the emphasis was to increase basic pay as much as possible. The CWU's target for future pay deals is to get us all onto the UK average wage, which happens to be around £430.

Allan Leighton wants to create a culture of profit related pay in the business. But we need a decent wage rise no matter whether Royal Mail is making massive profits or not. The problem with 'Share In Success' is what happens when the Royal Mail doesn't make such huge profits?

At the moment, Royal Mail only has one 'share holder', and that is the Government, and they

have not been taking any form of dividend payment recently.

But when they do, or if shares are sold to private investors, then you can be sure that Leighton will be pleading poverty and there will be no money for any headline-grabbing bonus scheme.

Just like the voluntary 'Bonus Scheme' agreed with the last pay deal. 'Share In Success' is meant to motivate members to work harder and make efficiencies and savings to produce more profit.

If members see getting a lump sum dividend from shares at the end of the year their priority, then they are more likely to want to cut out jobs, cut down on overtime, come to work when they are ill, and less likely to push for investment in anything that doesn't increase profits.

In other words, it is a way of trying to get members to think like managers and their accountants. But what happens to our wages and terms and conditions if members start chasing share dividends instead? The higher the profits, the higher the dividend. But the higher the dividend, the lower the basic pay rise will be.

And who will benefit most from making massive profits? Adam Crozier recently pocketed £3m in bonuses for his part in Royal Mail's "recovery". Don't let Leighton lead you up the garden path. We need a major pay rise this year. Posties are some of the lowest paid workers in the country. A higher basic wage is what we need, not another 'Share In Success'.

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