

# EMPLOYEE SUSPENSIONS AT SAA GROUP FOR ON FULL PAY SINCE JANUARY 2014

## 1. INTRODUCTION

This report provides information on the suspensions at SAA for the period January 2014 to date (March 2017). It seeks to answer the questions asked by an MP in respect of the situation at SAA. Suspension is a process defined in the Disciplinary Policy at SAA.

This report also provides information on suspension of employees pending an investigation on the alleged offence. Such suspensions are terminated once the investigations are completed or at the completion of the disciplinary process. The tables below shows categories for all the employees who were suspended pending the finalisation of the investigations against them in the whole group. The cost associated with these suspensions are also shown in the report. It is important to note that the disciplinary policy determines that *“the company may suspend an employee, on full pay, pending the completion of an investigation into allegations of misconduct and/or finalisation of the disciplinary hearing”*.

As these are policy matters and are driven by policy provisions, it is imperative that a thorough scrutiny of the policy is conducted to deal with and cover the gaps that are often cause labour law matters to drag for too long, as well as to regulate the matters that can be dispensed with internally rather than allow such matters to be moved outside that organisation.

## 2. South African Airways Group

A total number of 298 employees were suspended throughout the SAA group for the period January 2014 to date (March 2017) out of a total of 11 000 employees. The total costs associated with these suspensions is R 28 814 249, 32. It should be noted that the costs associated to these incidents is based on the salaries paid to the individuals for duration of the suspension period. The split of the suspensions in the different categories is as follows:

**2.1 South African Airways (Airline)****105**

<b>Employee Level</b>	<b>No of Employees</b>	<b>Suspension days</b>	<b>Suspension cost</b>
Top Management	2	740	R 6 317 060.96
Senior Management	4	849	R 3 300 017.10
Professionals	7	1 508	R 8 842 476.74
Non-management	92	7 934	R 6 287 616.94
<b>TOTAL</b>	<b>105</b>	<b>11031.00</b>	<b>R 24 747 171.74</b>

Of the 105 incidents of suspensions, 66 resulted in dismissals while 35 suspensions were uplifted as a result of investigations and the outcomes of disciplinary processes. Four (4) other suspensions remain unresolved

**2.2 South African Airways Technical****13**

<b>Employees level</b>	<b>No of Employees</b>	<b>Suspension days</b>	<b>Suspension cost</b>
Top Management	0	0	R 0.00
Senior Management	1	141	R 338 214.58
Professionals	2	475	683 149.66
Non-management	10	516	R 763 171.43
<b>TOTAL</b>	<b>13</b>	<b>1132</b>	<b>R 1 784 535.67</b>

All suspensions resulted in dismissals

**2.3 Mango****24**

<b>Employee Level</b>	<b>No of Employees</b>	<b>Suspension days</b>	<b>Suspension cost</b>
Top/Senior Management/Professionals	3	60	R 86 867.12
Non-Management	21	341	R 289 606.09
<b>TOTAL</b>	<b>24</b>	<b>401</b>	<b>R 376 473.21</b>

All suspensions resulted in dismissals

## 2.4 Airchefs

156 employees

Employees Level	No of Employees	Suspension days	Suspension cost
Top Management	2	132	R 252 267.36
Professionals	12	547	R 380 005.19
Non-Management	142	5789	R 1 273 796.14
<b>TOTAL</b>	<b>156</b>	<b>6468</b>	<b>R 1 906 068.70</b>

All suspensions resulted in dismissals.

Name of employees have not be provided as part of this response to avert the possibility of litigation. A standard clause in the termination agreements as follows:.

### CONFIDENTIAL NATURE OF THIS AGREEMENT

“The employee and the Company undertake to maintain confidentiality and, more particularly, keep the process, the circumstances and the content of all discussions and/or negotiations, including, inter alia, discussions and/or negotiations regarding the reason/s for the termination of the employment relationship, the conclusion of this Agreement and/or the contents of this Agreement, confidential and secret, and neither the Employee nor the Company shall reveal the contents of this Agreement to any third party at any stage, unless required to do so by law, or in order to enforce the provisions of this Agreement. Any disclosure of the contents of this Agreement to professional advisors for the bona fide purposes of seeking advice shall not constitute a breach of the provisions of this clause.”

We believe that there is a risk in presenting these names to the public given the confidentiality obligations in the individual contracts of employment as well as the termination agreements.

### Cost of legal and other consultants dealing with these suspensions

The legal spend on labour matters shown below includes all the costs relating to the labour issues within SAA. It is not limited only to the matters relating to suspensions. The period under review has been inundated with many labour law incidents some of which have included pilot's scope agreements to Mango, which was a very protracted process. The Section 189 process also fell in this period.

2014	2015	2016
*R17,050,923.28 *	*R11,863,013.08	*R15,776,156.74

*\*these figures are comprehensive figures covering all the labour law work at within SAA. It should be noted that SAA has undergone a Section 189 process recently and has had to deal with protracted labour challenges with the Pilot's Association.*

The usage of legal consultants has been driven mainly by the fact that SAA has almost always had to respond to legal firms representing employees on matters referred to the CCMA or even the Labour Court. In a limited number of instances, due to the complexity of the matters, external legal consultants have been used, and have always been acquired through our internal procurement processes. These costs are thus not entirely related to suspended employees.

### **3 Review of suspensions:**

The SAA policy does not provide for review of suspensions internally within SAA. However, an employee who wishes to challenge a suspension should approach the CCMA and file their matter there. As a result, employees often use the CCMA as an avenue to deal with matters of appeal arising from disciplinary processes. This is often a protracted process as most of the issues raised in these proceedings are purely legal and labour law related. Three of the four unfinished cases have been referred to the CCMA by employees for a ruling. This was done even before the disciplinary process could commence. At the same time the employees have approached the Nominations and Remunerations Committees with their matters. We await the ruling of the CCMA before we can proceed with the finalisation of these cases.

A possible cause for such delays emanates from the fact that the suspensions are often effected before the charges are issued to the employees. This is done in order to effect thorough investigations.