

UK: Employment practises of Sports Direct retail giant exposed

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Two undercover reporters for the *Guardian* were recently hired at a distribution warehouse in Shirebrook, England run by Sports Direct. From their time employed there they produced several articles detailing the exploitative working conditions the retail giant imposes.

Sports Direct was founded in 1982 by Mike Ashley and is the UK's largest sporting retailer. It operates over 500 stores worldwide, employing 24,000 people. In 2014, it recorded revenues of £2.7 billion and a profit of £180 million.

When Ashley floated Sports Direct on the Stock Exchange in 2007, selling 43 percent of the business, he raked in £929 million. His remaining 57 percent was valued at more than £1 billion. In the 2014 *Sunday Times* Rich List, Ashley's wealth was estimated at £3.75 billion.

Ashley is also the owner of Premier League soccer team, Newcastle United Football Club, for which he paid £55 million.

The Shirebrook distribution warehouse measures 2,100 feet by 410 feet, equivalent to 13 Olympic swimming pools placed end-to-end. Up to 5,000 staff clock in each day, around 2,000 on the busiest shifts.

A second warehouse of a similar size is being constructed next door. Sports Direct operates its warehouses 24 hours a day, 365 days a year.

New starters, reports the *Guardian*, are handed a letter by employment agency, The Best Connection, reading, "Your performance onsite will be monitored and if you do not meet the expectations of Sports Direct then your assignment will be terminated."

The letter from a second agency, Transline, is blunter, stating, "Transline reserves the right to end an assignment at any time without reason, notice or liability."

The undercover reporters said Sports Direct operates as "a retail machine whose cogs almost entirely consist of people: cheap people, typically from eastern Europe, who understand little, if any, English. To accommodate them,

all signs and announcements inside the building are made in Polish as well as English."

Staff are under constant camera surveillance, after entering the warehouse using a fingerprint scanner. Once on shift, they have to walk almost 20 miles a day picking orders from a maze of 50-foot-high shelves.

The firm operates a "six strikes" in six months and out policy. A "strike" is characterised as a "crime" against the company and includes "errors", "excessive/long toilet breaks", "time wasting", "excessive chatting", "horseplay", "wearing branded goods" and "using a mobile phone in the warehouse."

Workers are supposed to receive the minimum wage of £6.70 an hour, but a raft of disciplinary measures and deductions means they can earn less. "Workers are warned that if they clock in one minute late—or clock off one minute early—they will be docked 15 minutes' pay."

The *Guardian* reporters add, "In addition the body search at the end of each shift—which can take up to 15 minutes—is also not paid."

Daily body searches are carried out in line with a "zero tolerance" of theft policy. Workers are lined up, "before being ordered to strip to the final layer above the waist and empty their pockets. They are then asked to roll up their trouser legs to reveal the brands of their socks and expose the band of their underwear. Occasionally workers are hauled into a side room for a more detailed search."

Sports Direct has gained notoriety for its employment conditions, with the Shirebrook warehouse known locally as the "Gulag".

The *Guardian* exposé follows a BBC documentary detailing similar practises, which aired in October. It revealed that staff, afraid they would be sacked for taking time off sick, phoned ambulances on more than 80 occasions from work over a two-year period.

Sports Direct issued a statement saying the *Guardian* report contained "unfounded criticisms" of its

employment practices. It promised, “Mike Ashley shall personally oversee a review of all agency worker terms and conditions to ensure the company does not just meet its legal obligations, but also provides a good environment for the entire workforce.”

Figures in the political establishment and parts of the media have feigned shock at the exposure and rushed to present Sports Direct and Ashley as corporate bad apples.

The *Guardian* editorialised that Sports Direct was a “bad business”, with a “a pile-’em-high, pay-’em-low approach to the workforce” that “can never be a route to prosperity for the economy as a whole.”

It states further that this “conscious strategy would seem to be to rely on cheap labour rather than costly investment in robots or other technology.”

Is any of this a surprise?

Sports Direct is part of a globally integrated network of retail chains that sell products manufactured by cheap labour in China and Southeast Asia and use cheap labour warehouse and retail staff in countries like the UK. It is well known that this is standard practice.

Sports Direct employs the vast majority of its workforce on exploitative zero-hours contracts, but so do many other large firms, including McDonald’s, Britain’s biggest food chain with 83,000 workers, JD Wetherspoon, the UK’s largest pub chain, and the Boots chemist chain.

According to a report published this month by the StepChange charity, almost 750,000 people work zero-hours contracts. Some 1.26 million are in part-time jobs and 586,000 are in temporary roles. Of those on zero-hours contracts, 67 percent experienced a loss of income in the past year.

The encouragement of such practises is official government policy. Extolling the virtues of the British economy, Prime Minister David Cameron said in 2013 that Europe’s crisis stemmed from its lack of competitiveness and flexibility in the “new global race of nations” and the challenge posed by the “surging economies in the east and south.” He condemned “complex rules restricting our labour markets” and “excessive regulation” on business as “self-inflicted” wounds.

The government initially tried to block a debate on the *Guardian*’s Sports Direct report by writing to the Speaker of the House to say the matter was “not urgent and should not be aired.”

Ian Lavery, the Labour Party’s shadow minister for trade unions and civil society, merely offered to meet Ashley and “help him tackle concerns” about the way

staff are treated. “We can have a discussion about a way forward on this issue which would help both the employees, and indeed Sports Direct,” he said.

Lavery warned, “The last thing we want is more resentment on the workplace. We want the likes of Sports Direct to have decent relationships with the people who are making the profits for them.”

Labour’s solution, in Lavery’s words, is for “trade union recognition and a trade union deal at Sports Direct.”

Workers should treat the appeal by the former president of the National Union of Mineworkers to turn to the trade unions with contempt. The Shirebrook distribution warehouse stands on ground occupied by the former Shirebrook Colliery, which was closed in May 1993 after 96 years.

During the national miner’s strike of 1984-85, Shirebrook village, wedged between South Yorkshire and Nottinghamshire, was the location of fierce battles as striking miners fought to defend their jobs and livelihoods. The miners were defeated due to the connivance of the trade union bureaucracy and the Labour Party. Since then the areas surrounding many former pits, mainly in regions of chronic unemployment such as Yorkshire, South Wales and the North East of England, have witnessed the growth of “industrial parks” and warehouses based on the super-exploitation of workers.

The trade unions have not lifted a finger to oppose any of this, and have collaborated to the hilt in allowing the practices at companies like Sports Direct to become the norm for millions of workers.



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