

# UK: Appalling warehouse working conditions exposed at JD Sports

Joe Mount  
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A Channel 4 News investigation has revealed that sportswear retailer JD Sports imposes draconian working conditions at its warehouses in northern England.

During a five-week investigation, undercover reporters for Channel 4 television recorded evidence of an oppressive and super-exploitative regime at the firm's distribution centre in Rochdale, Greater Manchester that supplies UK stores. Video footage shows a supervisor explaining to an undercover reporter, "Three strikes and you're sacked."

The Rochdale warehouse employs 1,500 low-wage employees, hundreds of whom are on agency contracts.

Job insecurity and constant surveillance create Dickensian conditions of exploitation. One team leader is recorded warning, "No sitting down, no, you get fired. I've sacked people for sitting down." Workers discuss the harsh policies which make their jobs "worse than a prison."

Workers receive one strike for wearing branded clothes, two for using a mobile phone and one strike for bringing in food or drink, according to an internal company document brought to light by Channel 4. Management guidelines detail the strict regulations and punishments to be imposed on staff. The rules are reportedly less than two years old and remain in use.

Channel 4 News reported, "The investigation found many new staff taken on at the warehouse are employed through an employment agency called Assist Recruitment, which says it has been working with JD Sports for 12 years.

"The agency recruits are given 'zero hours contracts' with no guarantee of work and are paid the minimum wage of £7.20 per hour. The contracts allow the agency to dismiss them instantly without notice.

"After 12 weeks of work, the agency then guarantees

just 7.5 hours of work per week."

The company issued a pro forma denial of Channel 4's findings and announced an internal investigation and the retraining of its supervisory staff.

JD Sports PLC, founded in 1981, reported first-half profits of £77.4 million based on £1.5 billion annual revenue. The company, which operates over 800 stores in the UK, has sponsorship and supplier deals with several major football clubs. It has been majority owned by the Rubin family since a 2005 takeover by the Pentland Group holding company, whose chairman Stephen Rubin is the 33rd wealthiest person in Britain, having a net worth of £1.2 billion.

The company's aggressive business practices were set out by CEO Peter Cowgill, who remarked on a series of international acquisitions by the company: "It is part of our global plans. JD is about to conquer the world." Cowgill takes home £1.4 million per year, half of which is salary and the other half, bonuses.

Six percent of the company is owned by Sports Direct, which was involved in a similar scandal surrounding its working conditions at its distribution centre in Shirebrook, England, last year.

A *Guardian* exposure revealed that Sports Direct operates a "six strikes" in six months and out policy. A "strike" was 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 at Sports Direct were promised a minimum wage of £6.70 an hour, but a raft of disciplinary measures and deductions meant they often earned less. Among the disciplinary measures in place, resulting in cuts in pay, were that if workers clocked in one minute late—or clocked off one minute early—they were docked

15 minutes' pay.

The Channel 4 Investigation can be viewed online.

Following Channel 4's exposure, Iain Wright MP (Labour), chair of the Commons' Business Innovation and Skills Select Committee, said JD Sports employees were "treated like scum" and that company directors would be called to appear before a panel of MPs in the new year.

Such toothless parliamentary panels are public relations exercises to give the appearance of accountability. They have no power to punish the guilty since the rapacious activities of big business are mostly legal.

This is the lesson of the parliamentary select committees held in June regarding the business practices of Sports Direct and British Home Stores (BHS). The hearings were called after the horrifying working conditions were revealed at Sports Direct's warehouse. BHS collapsed following nearly a century in operation after the company was run into the ground and asset-stripped by its owners. Among the crimes committed at BHS was the plundering of the workers' pension fund to the tune of £500 million.

Expressing the contempt of the British oligarchy for any impingement on their profit-making, Sport Direct owner Mike Ashley initially refused to appear before the parliamentary committee, calling it a "joke." The billionaire was eventually forced to answer publicly, but has suffered no real consequences. The current Sports Direct chairman, Keith Hellawell, following Ashley's lead, recently claimed an "extreme political, union and media campaign" had damaged the reputation of the firm. Despite a fall in profits, the company recently acquired a £40 million corporate jet. These figures are what constitute the arrogant corporate elite that view workers only as the raw material for their vast self-enrichment.

Vince Cable, former business secretary and acting leader of the Liberal Democrats stated of JD Sports, "it's abundantly clear to me the way this company is operating: which is completely unacceptable, disproportionate, oppressive and exploitative of its workforce." Cable, associated with the neo-liberal "Orange Book" wing of his party, is no enemy of business and maintains close connections with the corporate elite. He held a senior post as Secretary of State for Business in the 2010–2015 Conservative-

Liberal Democrats government that began the sharp turn to austerity on behalf of the British bourgeoisie in the wake of the 2008 global financial crash.

The Department for Work and Pensions (DWP) responded by barring JD Sports from using government Job Centres to hire staff to work at the Rochdale facility until it was convinced that "workers are being treated appropriately."

This is just a sop to divert attention from the fact that a succession of governments, Labour and Conservative, have over the last three decades created the conditions for the legal, uninhibited exploitation of workers by removing restrictions on business and cutting spending on welfare benefits in order to force the poorest layers of society to accept low-wage jobs with grotesque working conditions. They have been assisted by the complicity of the trade union bureaucracy and a compliant media.

The further revelations of horrific working conditions lifts the lid on the precarious conditions faced by millions of workers, especially the most exploited and the youth, at transnational corporations such as Sports Direct, JD Sports, Amazon, Boots, etc. These corporations form part of a globally integrated network of retail chains that sell products manufactured by cheap labour around the world and use low-wage warehouse and retail staff in countries such as Britain.

They are not isolated cases but part of broader drive to intensify the exploitation of the entire working class, who are being driven into a race to the bottom with their counterparts in every country.



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