Contractors call for code to end rivals’ dirty tricks

Contract caterers are calling for a code of practice to end the problem of outgoing contractors bad-mouthing the incoming company, which causes unrest among staff and damages the image of the industry.

Eaton Group chairman Peter Chaning-Cotter claims that, on at least two occasions, his company has experienced an outgoing contractor using “dirty tricks” to scare employees into leaving with them. On one of those occasions, one-third of the workforce left with the outgoing company.

“They’re using scare tactics about the incoming contractor,” he said. “Our HR director goes in to see employees while they’re still working for the outgoing contractor, prior to the changeover. One woman broke down in tears because she was so worried about the process. That’s not what you expect from a fellow contractor.”

When this happens, employees are more likely to decide to leave with the outgoing contractor, as is their right under the Transfer of Undertakings (Protection of Employment) regulations (TUPE). But this means the incoming contractor has to recruit new staff, making it more difficult to get the new operation up and running quickly.

Chaning-Cotter is calling for a code of practice outlining contractors’ responsibilities when a contract is being transferred. “Employees need to be at the centre of it,” he said, “rather than being used as political ping-pong balls.”

Russell Skandrett, founding director of contract caterer Catering Alliance, agreed that contract changeovers are difficult. He said companies which have lost the contract want their rivals to get off to a bad start. “If people are going to bad-mouth each other, then the industry is going to lose out in the long term,” he said.

Lyn Cameron, human resources director at Avenance, believes some contractors are better than others in the way they deal with a changeover. Some, however, use the loss of a contract as cover for effectively dumping unwanted employees on the new contractor.

Cameron thought TUPE’s reach was too narrow, in that employees had only three options: staying with the outgoing contractor and inevitably moving site; handing in their notice; or transferring to the new contractor.

She said that some employees, particularly those with a long service record, may not want to have to get used to a new employer or a new site, and may prefer the alternative of taking a pay-off but, as it stands,
there is no right to redundancy under TUPE.

"Transferring does not suit everybody," she said. "People who have had long service but do not want to have to get used to another employer may prefer redundancy."

She called for a code that would cover what all sides, including the client, should expect from a transfer of contract.

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