

Philips: Preaching water, drinking wine

Like many companies around the world, Philips has had to deal with the crisis, and its employees were expected to make sacrifices. In the past year Philips cut 5,474 jobs. Many workers lost their jobs or were transferred within, or outside of the company. The ones who stayed had to face pay freezes and in many cases there pay was cut. Moderation was preached to the employees of Philips.

With members of the board of management promising also to freeze their own salaries, an example was being set. Thus, Philip's CEO, Mr Kleisterlee, like many employees, did not receive a pay increase on his €1,1m salary. However, in the 2009 annual report we can see that Mr Kleisterlee received an "annual incentive" of €962,720 on top of his salary. His annual incentive in 2008 was "only" €220,000, which is more than four times the previous year's incentive! The sum of annual incentives of the whole board of directors went up from €830,720 to €3,082,892. Again, this is almost four times more than the previous year!

The European Metalworkers' Federation sees this as yet another sign that CEOs worldwide have learnt nothing from the crisis. While workers pay for the effects of the crisis, managements are filling their pockets with enormous rewards and bonuses. Whereas Mr Kleisterlee brags about the company's handling of the crisis and its resilience, his celebrations are funded at the expense of the sacrifices made by the Philip's workforce - he is effectively preaching water while drinking wine.

EMF calls on all its affiliates and their representatives to protest against the outrageous behaviour of Philip's management

The European Metalworkers' Federation represents metalworking unions across Europe.