A LIVING WAGE AT WORK

AND EMPLOYEES IN THE
ACCREDITED EMPLOYER
PROGRAM OF THE LIVING WAGE
CAMPAIGN WORKPLACES

John Stansfield March 2017

Contents

Background to the report	2
Methodology:	3
Limitations in the method:	3
Findings:	4
What do you understand to be the meaning of the living wage workplace (LWW)?	4
Has this workplace always been a living wage workplace while you have been employed here	·? 4
If not, how has this change affected the organisation?	5
How has this change affected you as an employer?	5
How has the change affected workplace relations?	6
How is this different from other workplaces you have experienced which do not subscribe to living wage campaign?	
What is the most significant change caused by adopting living wage in the organisation?	6
Tell me about what you feel when you hear the words living wage?	8
Have you talked about the living wage to others? What has been their reaction?	8
How do you describe the wage campaign to others?	10
Do you think this is a strong and valid brand?	11
How do you know the assessment is robust?	11
Do you know why your organisation became an accredited employer, or why do you think th did?	•
What were the benefits of becoming an accredited LWW to the organisation?	12
Have there been any problems or obstacles to belonging?	13
Other matters raised in the interviews	13
Summary of conclusions	15
Opportunities identified by respondents:	16
Themes	16
Appendix 1	17
Accredited Living Wage Employers in NZ	17

Living Wage Workplaces, Experiences of Employers and Employees in the Accredited Employer Program of the Living Wage Campaign.

John Stansfield March 2017

Background to the report

In 2015 Living Wage Movement Aotearoa NZ commissioned research into the current experiences, in accredited workplaces, of employees and employers of

the Accredited Employer Program (AEP). The research was funded through the Metro group under the Metro ITP voucher scheme. The research was conducted by John Stansfield, Senior Lecturer in Community Development at United Institute of Technology.

The Living Wage Movement reflects initiatives worldwide to address poverty and inequality. The first Living Wage Campaign was launched in 2012 in Auckland and Wellington followed by other local networks around the country. Supporting organisations joined forces around a statement of commitment to a Living Wage. More than 200 groups agreed:

"A living wage is the income necessary to provide workers and their families with the basic necessities of life. A living wage will enable workers to live with dignity and to participate as active citizens in society. We call upon the Government, employers and society as a whole to strive for a living wage for all households as a necessary and important step in the reduction of poverty in New Zealand."

In 2013 an incorporated society was formed with rules that established the purpose and direction of local and national organisation under the name Living Wage Movement Aotearoa NZ.

This research project's results are examined in this report. The Living Wage Movement is interested in the findings to ensure that the Living Wage Employer programme is continually reviewed, the benefits and experiences can inform future activity, and the Movement captures the story of the Living Wage Aotearoa over time.

The principal areas of investigation are

- A/. The most significant change as a result of becoming a Living Wage business
- B/. Motivation for becoming accredited
- C/. Impression of the fidelity of the scheme
- D/. Barriers to signing up
- E/. Benefits of signing up

Methodology:

Semi-structured interviews were conducted to collect stories that address the research aims. Data analysis draws upon "most significant change" methodology (Davies & Dart, 2005) to identify themes that capture the strongest and most compelling answers to the research questions. The frequency and intensity of these themes are compared with those of sub-themes or contrary themes to render a balanced report.

Davis, R & Dart, J. (2005). The 'Most Significant Change' Technique: A guide to Its Use. Retrieved from http://mande.co.uk/docs/MSCGuide.pdf

A random number generator was used to select the 6 organisations as well as a 'waitlist' of alternatives, and the results adjusted to ensure representation within the final sample of organisations from each of the 4 organisation types: Faith based, Union, Private and NGO.

On analysis of the primary interviews we discovered a potential sampling error and it was decided to augment the sample with 4 further private sector respondents. In the event only three were able to be used but these did provide a needed balance and a clearer voice on the motivations and experiences of private sector organisations.

Any organisation that includes a member of the Living Wage governance board was excluded. Participants were recruited by personal telephone contact followed up by email.

The designated head of a given organisation was contacted and organisational consent sought; when organisational consent was given, the head was invited either to represent the organisation's view in the interview or nominate another senior member of staff to do so. Employees were recruited form the HR database of each organisation. A protocol for selection was designed but, in most cases, abandoned as there were very low employee numbers as most organisations were quite small.

Limitations in the method:

The sample is small because there were a small number of accredited employers, some have previously been sampled and are not included in this sample, others have a governance relationship with the programme and are therefore excluded from this research. Also the budget allocated for the project, which was less than required or available to the project, meant the paid hours were expended long before the work was done. The methodology used assumes significant change as a result of the accreditation but this is not universally borne out in the results and a more exploratory approach may have been more appropriate. Nevertheless, the views of respondents are fairly represented. The sampling error noted above was remedied by the inclusion of supplementary interviews. All respondents gave freely and generously of their time.

Findings:

Question One:

What do you understand to be the meaning of the living wage workplace (LWW)?

There were a range of responses to this question, all were correct to some degree but some were more full than others. Employers were more likely to have a full understanding of the campaign than were employees, except where the organisation was a Trade Union where both articulated full responses.

Standout themes were a wage which enables workers to fully participate in society. The high value participants placed on "being able to do more than merely survive, but participate" was a strong and recurrent theme across many questions.

"A workplace where workers are paid an independently agreed living wage sufficient for full participation in society and where they are free to belong to a union."

"A workplace where a good employer values work fairly and employees feel valued."

"Independently assessed and verified, a workplace where staff have the security and remuneration to participate in life, earning beyond just surviving."



Question two:

Has this workplace always been a living wage workplace while you have been employed here?

For the most part this was so in the NGO and Union organisations, the exception being contract cleaners and some casual youth staff.

For private sector organisations there were a range of responses with one employer conducting both an accredited business and one in transition.

Faith based had not always been LWW and a larger sample of NGO's might have revealed this was also more widespread in the NGO sector. In the course of the research we learnt of other NGOs who practiced the living wage principles.

Not all respondents were sure about the question this was most commonly the case for employees who were, in general, less sure about the association of the living wage campaign and its history with their employer.

Question three:

If not, how has this change affected the organisation?

Most respondents said that the organisation had not been affected greatly. One union however had experienced significant change over time as a result of the internal dialogue described as

"both positive and challenging and causing a significant reappraisal of traditional strategies and union effectiveness with the lowest paid workers".

One private sector employer noted there was

"impact on the wage bill and that this was significant but that the disruption of existing remuneration hierarchies had been the most challenging."

Further that the workplace was now more conscious of labour costs and planned staffing utilisation more thoroughly.

Another private sector employer noted that industry benchmarking metrics had become irrelevant and that this meant an increased vigilance over strategy and performance was required.

Question four:

How has this change affected you as an employer?

Responses ranged from not at all, the most common response across Union and NGO respondents, to an increased consciousness of responsibilities to indirect staff (Unions and Faith based).

"I think it made us think a lot more about all the people who really work for our organisation including those who work for contractors such as the cleaners in our outer offices and to realise that we had responsibilities to these people as well as our existing staff."

Private sector responses ranged from no impact (smallest employers), to a greater focus on managing wage costs.

"A tighter approach to rosters to avoid downtime"



Question five:

How has the change affected workplace relations?

Most respondents said very little or not at all however both employer and employees in separate organisations believed it improves the relationship because the employer was seen to be doing the right thing honouring not just the staff but the values espoused by the organisation.

One organisation had problems in its planning and budgeting cycle which meant they were always behind in applying the new rate and this caused some internal tension.

Private sector employers, which experienced the greatest wage increases, were more likely to identify positive workplace relations and spoke of a sense of pride and fairness.

"Staff know we are straight up, we did what we said"

"I did not expect or receive any kind of gratitude but I feel staff appreciate being rewarded more appropriately. It seems easier to retain casual staff"

Question six:

How is this different from other workplaces you have experienced which do not subscribe to the living wage campaign?

This proved to be rather a weak question and there were no conclusive patterns in the results other than one participant who expressed that she felt she was in a fairer place as a result of her employer adopting living wage and that this was more consistent with the values of them both.

Question seven:

What is the most significant change caused by adopting living wage in the organisation?

This question elicited particularly rich but also quite varied responses. On the one hand, one participant felt there was no real significant change and another felt changes were very minor. For another respondent engagement with the wider campaign had clearly prompted some very deep internal thinking and discussion about the purpose of the organisation, how it achieved its purpose, and where it was failing to achieve its purpose. Another respondent who felt the change had been relatively minor noted that

"adopting living wage had drawn a line in the sand which framed the organisation's position when dealing with other stakeholders, in particular its own membership",

reflecting further on this she changed her response to significant change. For most organisations the impact on wages was relatively minor with the exception of private sector employers who had significant wage increases and one faith based employer who noted

"You don't work for a not-for-profit without having some kind of passion for the world and its well-being, and so for those who sit at the bottom of our pay rates it has been a really interesting conversation and they feel really affirmed. Every day we see the consequence of living on nothing. Sometimes I think there is a level of guilt that we can and we do push for the living wage knowing that the people we work with have no hope of that. That has to be constantly reconciled for us, so that you don't end up feeling guilty for what you earn, because you see the consequences of not earning every day."

Another respondent who was unsure what the impact had been on pay surmised that it was unlikely to have changed pay rates but noted

"It does remind you that you should live up to your beliefs. It's important to set an example and, of course, I can sit across the negotiating table and talk about a living wage and they can't say what you guys don't even pay that yourselves"

Another respondent noted

"Becoming an accredited employer and LWW made us think about ourselves as an organisation and reflect on all the people who are employed directly or indirectly, not just the obvious people we come into contact with, not just permanent full-time staff, and to ask the question what really is our impact and is this consistent with what we believe?"

The strongest response came from a Trade Union who had clearly had some very robust discussion and debate and some real reflection about their own effectiveness or the effectiveness of traditional industrial organising for the lowest paid. This is the type of debate that can be difficult to hold in advocacy organisations who feel their very values are constantly under threat and, as another baby boomer remarked

"As a generation we have manifestly failed, the world we pass to our children is far more unequal than the world that was gifted to us. Families living in cars, begging in the street are evidence of a society which has turned its back on the poor. Our methods have not delivered for the most vulnerable. We have to try new ways."

A private sector employer and employee both noted

"a very visible improvement in morale, which was not bad to start with, but It's like, we are valued, we are proud of our workplace."



Question eight:

Tell me about what you feel when you hear the words living wage?

Respondents in this section had very warm feelings towards the term.

"It's very positive framing, I mean child poverty as an issue, it's great that is being talked about more, but still a very deficit view of the problem. I mean it is children living in poverty right but it is actually their family income that's the problem is not somehow just some children being poor. I think deficit imagery has been useful framing for the Government because they can treat it like Victorian philanthropic issue that we give them some marmite sandwiches and KidsCan will give them a raincoat. Not to put down "KidsCan", they do some good work but the problem to be solved needs an understanding and philosophy which is a little broader than just supplying raincoats. The living wage, as a term, is a step away from some 19th-century version of the deserving poor. I like that it's about a wage, the word wage means that it's about working, it's about the importance of work, it's about acknowledging that work is part of our life, part of living, but it is also acknowledging that people need to make a living when they work."

Another respondent celebrated the living,

"I love that it's a living wage, it's about life, it's not about a surviving wage it's about a living and participating wage, living the life not surviving an existence."

Another respondent noted

"It really came to life for us when we started to own the term and processed it, and we internalised it, and we gave it to staff to play with and it came back to us customised to the sector as a living wage for learning. A living wage for learning is about more than an abstract hourly rate. It's about participating, maybe having time to support the school team, or stand for the school board. It means a teacher knows that the children coming into the classroom have had breakfast and will have lunch in their bag, that they can learn. They can learn because there is a living wage in their life."

Question nine and 10 talking about the living wage:

Have you talked about the living wage to others? What has been their reaction?

All respondents were advocates to a greater or lesser degree, even respondents who were not entirely convinced took the debate to others and supported the principles of living wage. Some of the noted differences included

"I use LWW in an aspirational way. I say that's what you really deserve, we have discussions on jobs about the living wage but we all know were not going to get it and were thinking if we get to 17 bucks, or another dollar an hour it would be pretty good."

"A lot of people really struggle with that and they push back like this is a privilege not a right. The first thing your opposition does in any discussion is try to remove anyone who is not supporting a family of any kind and the discussion becomes about a single student."



"It really shows up class differences this conversation. Those in the lower income often see a living wage as a gift, not something they see themselves entitled to. I find this interesting because someone who is well educated and well paid will often believe and behave as if they're entitled to the wage or the salary they get paid so why should someone who perhaps is less academic education not feel entitled to something that that she deserves be paid."

Another respondent noted a marked difference between younger and older workers.

"Take my son for example, he and his mates work at Subway every weekend on the minimum wage. Talking to him and his friends about how do you get to the point where you don't sell yourself short and don't continue to accept that the money being paid, the minimum wage is acceptable. But the expectations of this generation are so different, the expectation of security of employment, of being paid more than the minimum wage."

"Gratitude. Gratitude amongst the precariously employed really gets in the way. That and the complete absence of any notion of solidarity. Workers will say "Yes you're right, but we have a job we want to hang onto it. There is always someone else who is prepared to do it longer or for less.""

"We are really clear, the business model is broken, we are building a new model of business, based on ethical treatment and sustainability, we are loud and proud about this and the conversations are increasingly with people who know the model is broken but don't know what to do next."



Question 11:

How do you describe the wage campaign to others?

Responses to this question were quite personalised, that is to say that there was significant difference between employees and employers but no real consistency of response across either category. Respondents whose earlier comments had been strong on reflection analysis and conversation had far more personally adapted conversations, for example,

"I talk about a collaboration between various parts of our world and so with the Union base, I talk of a political space or a campaign. In a community base it is very much a collaboration, its groups of people coming together for a common cause. I often talk to people about how you can dip in and out of that circle as far or as short as you feel able at the time and people then often asked me about whether they should get involved or how an organisation engages. One of beautiful things about the living wage campaign is to engage with it is not to commit forever, is not to sign up for everything & your life away right now. It's a journey so it encourages organisations to move towards it, get a taster then figure out where they stand in relationship to it. So, while a living wage rate is a goal, the living wage campaign is about enabling people on the journey towards that goal. It means organisations quite close to me can say, we can't sign up to everything but we can sign up to the journey. That's a very permission giving campaign."

"I suppose I tend to frame it in that 'living wage for learning' way. Most of my conversations are with parents of kids, it is just the stage of life we are at, social engagements are driven by what kids are doing, so they are like on the side of the tennis court or of the soccer field, at the beach talking to other parents. Those conversations, which have been all about how can people pay it, and how can you afford not to pay it, what's the cost to society of kids without their parents at home, or not having enough to eat when they go to school? I feel really strongly that whatever parents do kids should have the opportunity to learn and succeed in their lives."

Other respondents explained their answers much more in terms of the living wage rate than the campaign.

"I take them through, that this is a calculation made by people who are not union officials about what it costs to live in New Zealand and have a reasonable standard of living. It is, to some extent, taking people through the mechanics of it, the calculation that is, and comparing it to the minimum wage and looking at that big gap. This is not a gap to enable people to have a trip overseas every year this is to enable people to pay for the groceries every week. I always try and bring it down to a practical level and I think it's important that it is not a union campaign, while Union supported it, is not a Union driven process it's a community process"

While the sample size is too small to draw any definitive conclusions, male respondents tended to have more mechanistic responses based around the mechanics of the living wage rate and female respondents expressed themselves more in terms of enabling participation and belonging to the campaign.

Question 11 and 12:

Do you think this is a strong and valid brand? How do you know the assessment is robust?

While views amongst respondents were mixed, all believed that the calculations were robust or at least as robust as any other calculations. Several respondents were satisfied that it was robust purely on the basis of trust in those involved in the living wage campaign.

"I think in public that a few people have heard of it but I don't really know. Certainly, when I raise LWW people will have heard the phrase but may have taken different meanings to them. If you say Coca-Cola people know what it tastes like but I think if you say living wage they don't know what it tastes like at all except in most cases people will have a vague idea that the poor would be better off getting one. Also, the concept of fairness, that everybody deserves to get a living wage, the actual figure in that sense doesn't matter because in our own heads we all have an idea of what a living wage would be and we think everybody should get it."

Another respondent referred to the international brand

"Yes, it's a strong brand, it's an international brand and being able refer to cities overseas that have become living wage employers is really helpful and strong. It cuts through a lot of the other stuff. If you start talking about cities overseas that have become living wage employers then it starts to change people's perceptions of the campaign."

Another respondent was more sceptical

"Strong brand, not yet it needs some big high-profile employers to jump on board to give it some impetus. That's where the Wellington Council stuff is so important, if we could get Auckland Council over the line that would be a huge boost for the campaign I think."

An organiser of low paid workers was unconvinced that the brand or the robustness of the calculations would have a lot of impact in the employment relations for minimum wage retail workers.

"I supported and I never miss a chance to raise it in bargaining but I'm pretty doubtful that sweet reason or an ethical and moral argument is going to move employers who pay the minimum wage to a highly casualised retail workforce. The brand has its place and it must be useful in convincing community sector organisations, churches and the State sector but I've seen little evidence that it has any impact for the most precarious of workers in the private sector."

Subsequent to this interview we did in fact interview in the retail and hospitality sectors where a small number of employers are showing real leadership.

Question 13:

Do you know why your organisation became an accredited employer, or why do you think they did?

No employees, apart from Union staff were confident in their answers to this question several gave good answers but qualified this by saying I don't really know, this is really just a guess. This may be an area for potential development in the campaign.

Amongst employers reasons included

- values alignment
- internal consistency, Trade Unions who were bargaining and using living wage as a claim needed to be part of a living wage campaign and paying a living wage in order to avoid claims of inconsistency
- solidarity
- as part of how the organisation defined itself

Question 14:

What were the benefits of becoming an accredited LWW to the organisation?

All organisations cited reputational benefit although one respondent noted that he did not know if anyone really knew they were accredited.



Most men were more likely to express this externally as credibility, credentials. Most women expressed the benefits internally in terms of the reflections shared, relationships, a feeling of consistency and some happy staff.

Several private sector employers expressed the hope that more customers would come to them because of being accredited.

"There is some evidence of our accreditation driving customers to us, some talk to us about it, we expected to see more Union people but the biggest group have been from the universities"

Private sector employers also raised the issue of isolation and solidarity.

"These are really good people, the other employers, and small business can be quite isolating, so it's great to have these other businesses interested in your success."

"There is something very positive about being part of something larger than ourselves, it is a factor in driving us to succeed."

One employer noted

"I really don't know that much about being an employer, its new to me, I had no training, so in one way this has been great for me as I don't have to fret about whether I am paying fairly, I have less anxiety and can get on with the stuff I do know about."

Question 15:

Have there been any problems or obstacles to belonging?

Generally, respondents did not identify obstacles to being accredited Living Wage Employers The question was not so relevant to employees.

One employer talked about the conflict between the LWW cycle and their own budget cycle which meant they were always catching up. She noted that a mid-point indicative estimate would be helpful for budgeting purposes.

Two groups independently expressed challenges about working with each other. Both identified that the groups were culturally different and had their own ways of working.

One employer said the accreditation process was far less onerous than she had imagined it might be. Another noted it was one more demand on an under resourced organisation.

Question 16:

Other matters raised in the interviews

"The living wage campaign is about much more than what we do in our workplace. Belonging to the living wage campaign means being committed to the program beyond the borders of our organisation."

"Being a living wage employer might only change the wages of one person but in terms of influencing the way we think about organising and campaigning and in terms of staff engagement in local living wage projects, that has been development over time. It has been really interesting. It was challenging to start with. I think the prevailing wisdom, whether it was explicit or not, was that unions could get people a living wage and that the bargaining process would deliver."

"The issue then is why our school support staff, the majority of them, are still paid under the living wage? That leads to the question, how do you create change and how do you create a campaign? The answer is that we have to look at other ways. In thinking about our support staff in particular, some principals are going to do it because they feel morally bound to and they want to and it's a statement for the school. Other schools, because of the funding they receive, may not be in a position to do it immediately or may feel difficult about."



"It has been important to consider what a living wage means in each section of our membership. We have taken this two-stage approach. One is to try and secure the commitment of employers to move to becoming living wage employers. The other, as we do have smaller worksites, where we might have one cleaner and one teacher aide, who are not getting paid to living wage the moment, is to say to them, you can do this this is achievable."

"There are parts of the living wage campaign that I am a bit dubious about it feels like it kind of lacks an industrial strategy. For most of our members' hourly rate is only one of the problems in precarious work. They also face zero hours contracts and complete uncertainty. Our experience has been that when we have won significant wage rises, say more than a dollar an hour, the employer has frequently responded by reducing the number of hours."

"Not everyone is on the same page on this. There are still some people who will argue about the method of where the living wage has got to in terms of its calculations, but they do tend to be rather well educated and unburdened by poverty."

"I have some doubts about how relevant that all is in the private sector, which is not to say that there aren't significant gains made in the public sector which eventually flow through."

"Reactions vary hugely depending on the class and social position of people in the conversation. I had a conversation with a Samoan mate whose large family lived together and most of whom work to some extent or another. All are on a precarious minimum wage but they are absolutely brilliant managers they live in a way which for many others would seem overcrowded and they know where to buy the cheapest food and clothes. If they all got the living wage they would suddenly feel very, very rich. However, if it was someone who had grown up in a middle-class household and was in a flat for the first time of their life making a living on their own, they'd think 'Hell this is a bit of a battle!"



Summary of conclusions

a. The most significant change as a result of becoming an accredited Living Wage Employer. For employees, little unless directly effected in remuneration

For employers, internally some significant changes in thinking and collaborating and externally - reputation, credibility, and expressed solidarity

Tighter approach to hours and rosters

More stable staff

Feeling part of a change, a campaign bigger than its constituent parts

b. Motivation for joining

Values consistency and solidarity

c. Impression of the fidelity of the scheme

All believed that the living wage calculations were sound but for many this was less important than we had expected

d. Barriers to belonging

None of the organisations had encountered barriers with the process itself and two remarked that it was very straightforward.

The principal barrier expressed amongst the sample was sustainability of the more fragile organisations

The quite rigorous process which was demanding and one very small organisation, already administratively overstretched, had some fatigue

Having to ignore industry benchmarking and standards

e. Benefits of belonging

The feel-good factor, a consistency of message, and improved values alignment, improved reputation and credibility

Very positive and upbeat, it's great to be actively going forward together

Being part of a wider movement, knowing others supported both our stand as us as a business

Potential market edge

Happier and more productive staff



Opportunities identified by respondents:

"There must be a lot who are not accredited, but the accreditation, with modern digital business systems, is actually quite easy. It would be good to focus on these non-accredited businesses, there might be some easy pickings."

"As range increases so opportunities for trade and wider collaboration do."

"Might be time for a brand refresh and website makeover, for instance the list of living wage employers not seen as a useful directory and will become less useful as it grows unless it is better organised for both product/service type and regions."

Red - One respondent noted that the predominance of the colour red made the living wage look like a Labour Party initiative and that a constituent organisation had changed the colour of the logo in their workplace.

Little daily purchases could be the Trojan horse which creates a wider conversation. This comment, from a coffee supplier, was part of an interesting discussion about embedding behaviour change and the argument was put, was that changes in understanding and behaviour are often easier in baby steps which are taken often. Introducing LWW coffee in a workplace is a simple, low cost initiative which creates daily opportunities for broader conversations about supporting LWW employers and assessing how the workplace might progress to becoming an accredited LWW employer.

"Better promotion of LW businesses."

"More opportunities to participate and celebrate."

Themes

- Part of something bigger
- Changing the business model
- Community of living wage businesses (private sector)
- Union vs Faith culture clash
- Emergent commitment and journey, the acceptance in good faith of others' positions
- Relation to other issues, fair trade, organic, Environment

Appendix 1

Accredited Living Wage Employers in NZ





















































































unreal films proving the truth









Auckland Methodist Central Parish































