



the need to study the impacts of the LW at an *organisational* level. Werner, together with Lim, pursued this through an empirical study funded by the Barrow Cadbury Trust in 2016, which investigated voluntary adoption of the LW in private sector small and medium size enterprises (SMEs) in the UK via the Living Wage Foundation's (LWF) accreditation scheme. This first piece of systematic organisational LW research focused on SMEs, examined the motivations, benefits, challenges and strategies around LW implementation within SMEs.

Findings from the *Putting the Living Wage to Work* report [3.5] were developed further via more in depth analysis [3.6] and insights generated from commissioned research for a major international workplace and facilities management company (see 5.10). These demonstrated:

- *employer motivations*: SME owners/managers introduction of the Living Wage was motivated primarily within personal ethics and beliefs about fair wages and social justice [3.6]. Findings indicated that whilst SMEs accrue benefits to their reputation and employee morale from Living Wage accreditation, they encountered challenges related to pay structure and incentives.
- *the affordability of adoption of the LW even in SMEs and low wage sectors*: more than half of the SMEs surveyed already paid the Living Wage rate, or above, to all or most of their staff prior to accreditation. This illustrated that many SMEs would find it easy to gain LW accreditation, particularly if they chose to incorporate the LW into their business model from their inception.
- *the benefits of LW adoption*: the major benefits of LW adoption in SMEs were its positive impact upon the company's brand reputation and market positioning (72%), and manager/organisation-employee relations (60%), including fewer employee disputes. Employee morale, productivity and motivation, as well as lower employee turnover (and resulting lower recruitment and training costs) were other frequently identified benefits, as was the ability to attract high quality staff, and the satisfaction of knowing that their staff were paid a fair wage rate. Benefits for employees included the ability to; keep up with the cost of living, have money available for extra or higher quality purchases, save money for the future, financially support their wider family, invest in their education, and have more leisure time available through reducing their work hours.
- *good practice with regard to LW implementation*: benefits of LW adoption differed according to company type. To maximise benefits, SMEs needed to adopt different implementation strategies for the LW within their organisation. Appropriate strategies depended on factors including whether the LW was linked to the skills of the company's core employees and the offer of a high-quality service to clients, or whether the LW was used as a marketing and reputational tool as part of the company's wider socialhe needed ther ne(ed31.3 (r)-15 y)-2 (u.9 r)-5.9 (e)]T.002 Tc





stories shared by employees in the research - to evidence how the LW makes a tangible difference