

The Living Wage Precedent: experiences of Higher Education and SMEs in becoming Living Wage accredited

There are currently 120 Higher Education institutions within the UK who are accredited as Living Wage Employers by the Living Wage Foundation²⁶. Recent accreditations this year include the University of Manchester, University of East Anglia, and the University of Bath. Importantly, this number includes 17 Oxbridge colleges of varying different sizes and with varying levels of financial endowment (examples include Queens' College, Cambridge; St Hilda's College, Oxford; and Girton College, Cambridge).

Some of these institutions' experiences of implementing the Living Wage, reasons for doing so, and the overwhelmingly positive benefits gained from this decision have been cited in several compelling and rigorously researched reports.²⁷ Overall, these reports, taken together, 'disprove the assumption [in the education sector] that increases in staff wages inevitably lead to a trade off in employment, job security or success within higher education'.²⁸ On the contrary, they make a conclusive case highlighting the importance of the Living Wage in ensuring a collegiate higher education sector which continues to flourish. Their examination of Living Wage employers', and in particular universities', experiences of becoming Living Wage accredited can be summarised through the following two points:

1: Cost to Business

The argument that Living Wage implementation leads to inevitably negative commercial slowdown and an unmanageable wage bill is based more on myth than reality. In fact, the commercial benefits of providing the Living Wage are well documented

- **Cost to business:** The experience of Queen Mary, University of London is a valuable case study.²⁹ Queen Mary agreed to move all of their cleaning staff from

²⁶ <https://www.livingwage.org.uk/accredited-living-wage-employers>

²⁷ Reports on the positive benefits of living wage accreditation are voluminous. Examples include: Willis, J. et al] The business case for the living wage: The story of the cleaning service at Queen Mary, University of London, January 2009 [available here:

<https://www.qmul.ac.uk/geog/media/geography/livingwage/docs/livingwagereportQM.pdf>]; Jenson, N. and Willis, J. The prevalence and impact of the Living Wage in the UK: a survey of organisations accredited by the Living Wage Foundation, October 2013 [available here:

<https://www.qmul.ac.uk/geog/media/geography/livingwage/docs/FINALReportLWFsurvey2013.pdf>]; Werner, A. and M. Lim. Putting the Living Wage to Work: Strategies and Practices in Small and Medium Sized Enterprises (SMEs) October 2016 [available here: <https://www.barrowcadbury.org.uk/wp-content/uploads/2016/10/University-of-Middlesex-Putting-the-Living-Wage-to-Work-October-2016.pdf>].

²⁸ Hulme, A. 'Blog: University Challenge - why universities should pay a real living wage', 13th August 2018 (via the Living Wage Foundation website [available here: <https://www.livingwage.org.uk/news/blog-university-challenge-why-universities-should-pay-real-living-wage/>].

²⁹ The experience and impact of Queen Mary's decision to pay the living wage, alongside other informative research on the London living wage, has been rigorously documented by Professor Jane Willis and her team over several years. For a summary of the research, and links to individual aspects, see: <https://www.qmul.ac.uk/geog/livingwage/>.



KGB Cleaning to in house employment in 2008, paying staff the Living Wage in the process. For the budgetary year 2008/2009 Queen Mary paid a cleaning bill of £2,197,000. Whilst this was an increase from the KGB Cleaning bill of £2,119,000 in year up to the end of July 2007, it also included a one off 4% pay rise alongside an annual increment. The overall increase, then, was not as high as one might expect.³⁰ Indeed, as Professor Jane Willis and her colleagues at Queen Mary noted in a report on the implementation: 'the in-house service has cost only slightly more than the service provided by KGB including the start-up costs of the move back in-house'.³¹ She concludes that this is evidence against the 'dire predictions of escalating costs' which often prevent employers from implementing the Living Wage.³²

- **Efficiency:** In terms of service efficiency within the HE sector, 83% of the 106 respondents to a survey run by Queen Mary after their Living Wage implementation noted marked improvements in the presence, motivation, and overall efficiency of cleaning staff throughout the University, thereby demonstrating a close relationship between Living Wage provision and operational efficiency.³³ In addition to this, alongside Queen Mary's particular operational benefits, a higher rate of employer retention post-Living Wage implementation was reported as a major benefit by employers, thereby reducing the expense to HR departments of recruiting and training new staff.³⁴
- **Reputational advantages:** Recent surveys of Living Wage accredited employers have demonstrated that the vast majority view Living Wage accreditation as having led to enhancements in their overall reputations and attendant benefits to their business operations. In a recent study by Cardiff Business School interviewing over 840 living-wage employers, 93% of respondents reported that Living Wage accreditation had 'enhanced the organization's general reputation as an employer', 78% suggested that it had 'enhanced the organization's general or corporate reputation', and 64% that it had 'differentiated the organization from others in the same industry or activity'.³⁵ The average number of benefits reported by the institutions interviewed was 8.7.³⁶ In addition, between 20-25% reported tangible business benefits in terms of securing more contracts with clients.³⁷ The report's authors conclude from this that many small to medium enterprises viewed the initial costs arising from living-wage implementation as a long-term investment in their business's reputation and attractiveness to potential clients, and that the data demonstrates that they have seen definitive pay-offs from this investment.³⁸

³⁰ Willis, J. et al The business case for the living wage, p. 10.

³¹ Ibid

³² Ibid

³³ See Willis, J. et al. The business case for the living wage, p. 11.

³⁴ See Werner, A. and M. Lim, Putting the Living Wage to Work, p. 20; Heery, E. et al. The Living Wage Employer Experience, p.30. The same page also reports over half of respondents noting the benefits to HR costings and outcomes with nearly half (45%) reporting a higher quality of applicant to advertised roles.

³⁵ Heery, E. et al. The Living Wage Employer Experience, , p. 30.

³⁶ Ibid., p.29

³⁷ Ibid., p.31

³⁸ Ibid., p.29



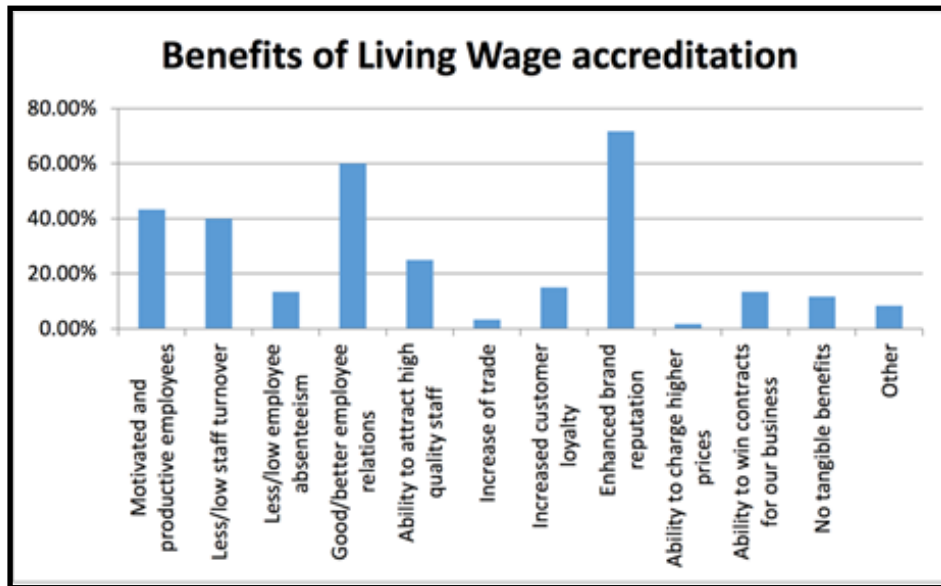


Fig 3: Benefits of Living Wage accreditation as perceived by employers (source: Werner, A. and Lim, A. Putting the Living Wage to Work, p.14).

Cost to business conclusions: Queen Mary and the experiences of other Living Wage accreditors demonstrate that whilst an initial raise in expenditure to pay the Living Wage to staff is necessary, it is neither financially unsustainable in the long-term or commercially damaging. The vast majority of Living Wage employers saw their accreditation as an investment in both their own commercial reputations and the happiness and productivity of their staff. Robinson, as a new and future-orientated college, would see huge benefits to its reputation, and as a living-wage pioneer, stand out amongst colleges in proudly displaying its values as an educational institution committed to social fairness and the welfare of its staff. Furthermore, the experience of Queen Mary and other businesses demonstrates that Living Wage accreditation leads to tangible benefits to operational efficiency and lower staff turnover, again demonstrating the sound business sense Robinson would be acting upon in accrediting with the Living Wage Foundation.

2: Workplace Cultures

Studies show that all employers who have implemented the Living Wage have noted real improvements in the sense of community, happiness, and overall positive atmosphere within their workplace cultures. Universities' and HE institutions have recognised that fostering a collegiate educational community is greatly aided by Living Wage accreditation.

- **Staff Morale:** Studies have demonstrated that there is a direct correlation between staff morale and the provision of the Living Wage.³⁹ Alongside the clear operational and economic benefits for staff noted above, more general boost to morale and sense of belonging to institutional communities have been cited by universities in particular as both motivators for and benefits of Living Wage accreditation. Dean Curtis, Chief Administrative Officer for Queen Mary, has cited an increase in the sense of a communal staff identity at the University since bringing cleaners in-house and paying them the Living Wage: for Curtis, 'making cleaners staff changes the dynamic' and has added to a shared idea of belonging at Queen Mary.⁴⁰ This is in addition to Jane Willis' study which found 89% of cleaners at Queen Mary viewed a positive increase in their morale and work conditions after being moved in-house and paid the Living Wage.⁴¹ Furthermore, universities such as Wolverhampton and colleges such as Hertford, Oxford have explicitly cited the desire to help 'morale and motivation' and aid staff who are the 'indispensable bedrock of college life' as driving their decisions to pay the Living Wage.⁴² This should be taken alongside wider reports from SMEs on the benefits to staff morale and overall relations between staff and employers gained from implementing the Living Wage.⁴³
- Robinson's decision to implement the Living Wage would significantly help the development and fostering of communal identity within the college. Staff morale would increase; Robinson would be seen to be publicly acting on values foundational to higher education environments, such as social responsibility, equality, and the inclusion of all in collegiate identity.

Workplace cultures conclusions: This examination of the historical implementation of the Living Wage within higher education and business environments, and the reports which methodically and independently document it, demonstrates three central points. First, a variety of higher educational institutions of varying size and financial capital have committed investing in their staff and institutional cultures by becoming living-wage accredited, demonstrating its feasibility for Robinson's particular commercial context. Second, the implementation of the Living Wage, which will lead to an increase in the wage bill, is best seen as a net-investment in both Robinson's commercial and educational reputation and its operational efficiency which is not as high as might be expected. Third, Robinson's decision to pay its staff the Living Wage, as is shown by Queen Mary and other HE institutions, would simultaneously demonstrate its commitment to its founding values, and aid the strength of its communal identity as a college.

³⁹ See for example Reich et al. (2005) 'Living Wage policies at the San Francisco airport: Impacts on workers and businesses. *Industrial Relations*, 44, 106-38 and Fairris, D. and Reich, M. (2005) The impact of living wage policies: Introduction to the special issue. *Industrial Relations*, 44, 1-13

⁴⁰ Dean Curtis quoted in Aditya Chakraborty's article for *The Guardian* ('The cleaners who won fair wages and a way to belong'), 18 July 2018 [available here: <https://www.theguardian.com/commentisfree/2018/jul/18/cleaners-fair-wages-university-in-house-working-lives>].

⁴¹ See Willis, J. et al., *The business case for the living wage*, p. 17.

⁴² Jenson, N. and Willis, J. *The prevalence and impact of the Living Wage in the UK*, p. 20; 'Living Wage' statement by Principal Will Hutton, sourced from Hertford College, University of Oxford website, 23 January 2015 [available here: <https://www.hertford.ox.ac.uk/news/living-wage>].

⁴³ Werner, A. and M. Lim. *Putting the Living Wage to Work*, p. 19.



Summary of recommendations

Looking at evidence from the Living Wage Foundation and precedent at comparable institutions, the Cambridge Living Wage Campaign has drawn up the following demands for colleges seeking to move towards a fair deal for workers:

Fair Pay

- Gain Living Wage accreditation with the Living Wage Foundation
- Pay the Cambridge Living Wage (£10 p/h)⁴⁴
- Close the gender and race pay gaps

Fair Conditions

- Gain living hours accreditation with the Living Wage Foundation.⁴⁵
- Ensure safe, respectful and fair working conditions for all staff.
- Provide channels for regular feedback about working conditions.

Fair Representation

- Recognise workers' right to unionise.
- Ensure democratic representation on college committees for nonacademic staff, members and union representatives.
- End the practice of outsourcing and bring all workers in house.

On the basis of the above evidence, we believe that Robinson is wealthy and secure enough as an institution to easily pay a Living Wage to all workers. Given the rapid growth of the college endowment over past years, the college can no longer use its operational deficit to justify paying the minimum wage to most casual staff. Robinson often escapes scrutiny through its claims that the college 'cannot afford' to adjust its operational accounts to cut student costs or pay workers more, but this is demonstrably not true. Additionally, we would stress that none of the funds for this should, or need to be charged to students in any form, whether in higher rents or cuts to JCR funding.

As outlined above, there are positives to be gained from becoming Living Wage accredited. The college's reputation has been damaged amongst students who were led to believe that Robinson is an institution with a modern, broad social outlook, only to find out that its practices do not live up to its name. In accrediting with the Living Wage Foundation, Robinson could prove that it is an institution that takes responsibility for the ever-widening gulf between rich and poor in Cambridge. This may help Robinson attract students to the college, as well as encouraging colleges with larger endowments to adopt a similar policy, thus making it a trailblazer in the University.

⁴⁴ <https://www.cambridge-news.co.uk/news/cambridge-news/time-cambridge-living-wage-introduced-15372719>

⁴⁵ <https://www.livingwage.org.uk/living-hours>



Whilst Robinson becoming Living Wage Accredited is the main aim of this paper, the Living Wage Foundation and central Cambridge Living Wage Campaign are right to point out this is only one part of improving working conditions. When debating this issue, management should bear in mind that ending outsourcing would allow the college to be more accountable to workers about their conditions; that workers deserve a voice in college committees, and union representation; that workers should be entitled to decent hours in line with the European Work Time Directive in order that they can have a reasonable amount of leisure time.⁴⁶

We sincerely hope the college accept these proposals and works with students and staff on the issue of pay in the college. We await a response from the college on this issue within the next two weeks outlining the college's decision on this matter, and would be happy to discuss these recommendations in further consultation with college management.

The Robinson College Living Wage Campaign.

⁴⁶ <https://www.health-ni.gov.uk/articles/european-working-time-directive>

