

The Real Benefits from the Real Living Wage



MAR Facilities Management
White Paper 2023

www.marfm.co.uk

Document date: 22/12/2023
Document number: 00323



FACILITIES MANAGEMENT



Executive Summary:

As 2023 slowly heads towards the sunset and disappears over the horizon, it's that traditional time in the calendar to step back and reflect upon the year that was.

For most individuals - from an economic and financial standpoint - that reflection will conclude that the past 12 months has undoubtedly continued to be a struggle.

Against this backdrop, the significance of the work being carried out by the Living Wage Foundation seems more important than ever. This white paper reflects upon those sterling efforts and explores how companies like MAR FM can really make a difference to people's everyday lives.

01. Introduction:

In today's economic climate, where the cost of living continues to rise, the need for a fair and equitable wage has never been more pressing. The real Living Wage, set independently by the Living Wage Foundation, stands as a beacon of hope for low-paid workers, helping to ensure that they can afford the essentials of daily life, while at the same time contributing meaningfully to society.

02. Who are the Living Wage Foundation?:

The Living Wage Foundation is a not-for-profit organisation who sit at the heart of the Living Wage movement in the UK. In short, the Foundation does three things:

1. Accreditation: Offers accreditation to employers that pay the living wage, or those committed to an agreed timetable of implementation, by awarding the 'Living Wage Employer' mark.

2. Intelligence: Provides advice and support to employers implementing the Living Wage including best practice guides; case studies from leading employers; model procurement frameworks; access to specialist legal and HR advice.

3. Influence: Provides a forum for leading employers to publicly back the Living Wage. The Foundation works with six Principal Partners - Trust for London, KPMG, Linklaters, Resolution Foundation, Save the Children and Queen Mary University of London, who bring financial and strategic support to the work.

03. What's in a name?:

Often the cause of confusion, it's important to get the terminology right and to be clear about the distinction between the 'Real Living Wage', promoted by the Living Wage Foundation and the 'Minimum Wage', as set by the UK government.

The Real Living Wage - unlike the Government's Minimum Wage - is independently calculated based on the actual cost of living, taking into account factors such as food, rent and, more importantly than ever, fuel costs. Additionally, it addresses the economic disparity between London and the rest of the UK, allowing for a separate, higher pay rate for those living in the capital.

The Real Living Wage is reviewed and adjusted annually, typically being announced in October or November, with



implementation by individual employers, encouraged as quickly as is practical.

04. Why is the Real Living Wage important?:

So where do we start?! Well, there are a number of reasons why the Real Living Wage plays such a crucial role for individuals, businesses and the wider UK economy. These include:

Addressing Wage Inequality

By paying the Real Living Wage, employers demonstrate their commitment to providing workers with a wage that allows them to achieve a decent standard of living. This not only enhances the well-being of employees but also contributes to a stronger, more resilient economy.

Promoting Social Mobility

Adequate wages play a crucial role in enabling individuals to climb the socioeconomic ladder. When workers are paid fairly, they have the financial resources to invest in their education, training, and skills development, which can lead to better job opportunities and higher earning potential. This, in turn, fosters social mobility and leads to the creation of a more equitable society.

Benefits for Businesses

Despite the misconception that paying the Real Living Wage is a burden on businesses, research has consistently shown that it is, in fact, beneficial for employers. Studies have repeatedly found that organisations that pay the Real Living Wage, experience lower staff turnover, increased productivity, and improved employee morale. This, in turn, leads to a more engaged and productive workforce, boosting overall business performance.

Furthering a Just Society

The Real Living Wage is not just an economic indicator; it's a social justice issue. By ensuring that all workers are paid a wage that allows them to live



with dignity, we are creating a more just and equitable society. When workers are financially secure, they are better equipped to care for their families, contribute to their communities, and participate fully in society.

A Happy Workforce, is a Motivated One

Accredited companies report a happier, more motivated workforce. It's no surprise that when employees feel valued and are receiving fairer compensation for their time, they are more likely to go the extra mile, take on overtime and perform better in their roles. Companies have also found that, when paying the real Living Wage, relationships between managers and colleagues improve, fostering positive working environments.

Recruitment & Retention

Across all industries, the competition to hire and retain good personnel is fiercer than ever, a situation magnified in recent years by the fall-out from Brexit. Offering an enhanced salary increases the attractiveness of an opportunity to prospective employees and also helps to motivate existing team members, resulting in people being more likely to join and less likely to leave.

Stand Out From the Crowd

There are many ways in which a company can make job opportunities more attractive to high-quality job seekers, whether it's flexible working arrangements, a strong benefits package or good career prospects. While all these things form part of a strong overall

reward package, a cycle-to-work scheme is not particularly useful if the wage isn't sufficient to cover the costs of living in the local area. If a business wants to hire the best possible candidates, it should aim provide the best possible salary. No less than 64% of accredited companies said that paying the Real Living Wage had helped them to differentiate themselves within their industry sector.

Reputation is Everything.

Customers vote with their feet, selecting companies that align with their values, meaning reputation can make a big difference to the bottom line. Offering an enhanced wage to workers is proof of a company's commitment to long-term investment in people, and a reliable signifier of the ethical, forward-thinking nature of a business. This in turn builds trust with customers, increasing the prospect of repeat business.

05. MAR at the Forefront

MAR FM has been a recognised Real Living Wage service provider for more than 8 years. This means that in addition to paying our direct employees an increased wage, we actively discuss the benefits of the programme with both our existing and all potential new clients. Should they choose to adopt the Real Living Wage, we work in close consultation with them, holding transparent annual reviews, encouraging open dialogue, thereby allowing for a flexible and straightforward adjustment process.

Conclusion



Despite considerable efforts over the past few years, Facilities Management is an industry in which employees have historically struggled to obtain satisfactory levels of pay.

This is despite considerable efforts made by businesses within the sector, particularly off the back of the Covid pandemic.

MAR's ethos is that our people are our greatest asset and all employees, no matter what role, should be fairly compensated for their commitment. Through this ethos, we actively discuss and encourage all of our clients to consider paying the Real Living Wage rate, the benefits of which are considerable for us, our clients and most importantly, for our staff at the point of service delivery.

In short, the Real Living Wage is not just a financial necessity; it is a moral imperative. By advocating for and supporting the real Living Wage, we

are investing in the well-being of our workforce, fostering a stronger economy, and creating a more just and equitable society.

It's a no brainer really, so please join us in continuing to support and champion the Real Living Wage, ensuring that no worker is left behind in the pursuit of a decent standard of living.



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