

## **Making the living wage work in SMEs - Evidence from accredited employers in the UK hospitality sector**

*Andrea Werner*

### **Introduction**

The voluntary or real Living Wage (RLW) accreditation scheme in the UK, which commits employers to paying their direct and indirect employee hourly living wage (LW) rates based on 'basic living costs' as opposed to (lower) legal minimum-wage rates, has at the time of writing accredited over 6,500 organizations (Living Wage Foundation (LWF) n.d.), and the number keeps growing. One of the surprising facts about the scheme is that about half of the accredited organizations are small and medium-sized enterprises (SMEs) operating in the private sector, with a substantial number of accredited SMEs operating in so-called low-wage sectors, such as retail, hospitality, and social care.

The fact that there is a significant number of SMEs among LWF-accredited employers could be considered astonishing because SMEs are usually perceived as having fewer resources available (Carland et al. 1984) and facing severe competitive pressures (Barrett and Rainnie 2002), and thus as being less able to afford paying higher than legally required wages to their staff. On the other hand, certain characteristics of SMEs such as their social embeddedness (Curran and Blackburn 2001: 6–7), the coinciding of ownership and control (Spence 1999), and a belief that certain benefits might accrue to them due to being a LWF-accredited employer (Heery et al. 2017; Werner and Lim 2016a), may make SMEs open to adopting the RLW. The high proportion of SMEs among LWF-accredited organizations in the UK, and the fact that SMEs collectively account for about 60 per cent of all private sector employment (DBEIS 2019a), and as such influence the working and living conditions of millions of workers, point to SMEs' potential to contribute to a transformation of the economy towards more fairness and social equity.

This chapter provides evidence on how SMEs make RLW implementation work in their organizations from a pioneering in-depth empirical study of voluntary LW adoption in UK SME employers across a range of sectors including hospitality, care, retail, construction, and manufacturing (Werner and Lim 2016b). The focus will be on case studies of LWF-accredited SMEs from the hospitality sector. The hospitality sector has been chosen for analysis because, as a sector notorious for its low wages, adoption of the RLW has significant implications for employers, as the LW would influence the pay strategy for companies' core employees, not just for ancillary staff. Furthermore, the case studies selected exhibit a range of rationales and implementation strategies and thus can be seen as a kind of microcosm of how SMEs engage with the RLW. The insights gained by this study contribute to a better understanding of the drivers and motivators for the decision to adopt the RLW in SMEs, a segment of the economy which, despite its huge contribution to the economy, has remained under-researched, and its potential for contributing to a fairer society under-recognized. This study identifies the benefits and challenges employers face when implementing the RLW within their organizations. Last,

but not least, this study paves the way for a better understanding of the potential and limitations of LW adoption in SMEs, and subsequent implications for policy and practice.

This chapter is structured as follows. After giving some background information about the SME and hospitality sectors, a description of the research method is provided, and the case studies are set out. Subsequent discussion draw out the range of SMEs' motivations for signing up to the RLW, the multitude of benefits of LWF accreditation for these SMEs, challenges regarding the implementation of the RLW, as well as some industry- related issues. The chapter concludes with some reflections about the implications of RLW adoption in SMEs for individuals, businesses, and the economy; and about the prospects and conditions for future growth of LW accreditations among SMEs, in particular in low-wage sectors.

### **The SME context**

SMEs, that is, private sector organizations that employ up to 249 employees, collectively make a huge contribution to the UK economy (DBEIS 2019a), and in economies elsewhere around the world (Spence 2016). In 2019, UK SMEs contributed £2.2 trillion to the UK economy (52 per cent of GDP), employing over 16.6 million people (DBEIS 2019a).

Due to their relatively small size, however, SMEs are perceived, by some, to be limited in how they can engage in social responsibility (e.g. Carland 1984), such as paying voluntarily higher than legally required wages. Limitations are thought to arise from SMEs' exposure to market pressures and especially from the fact that SMEs may compete against, or have terms and conditions specified by, more powerful businesses (Barrett and Rainnie 2002). By contrast, others hold that structural market forces do not so much *determine* the actions of SMEs, as present them with constraints as well as opportunities, constituting the setting for differentiated strategic responses (Ram and Edwards 2003). Others again would add that SMEs are not just able to engage in differentiated strategic responses, but that the values and ethics of those owning and running the business have the potential to make a significant impact on how the company is run and what gets prioritized (Egels-Zandén 2017), including the decision to engage in profit-satisficing rather than profit-maximization (Spence and Rutherford 2001). Furthermore, due to their size and set-up, SMEs are considered to be rather strongly embedded in the sociocultural contexts in which they operate (Curran and Blackburn 2001: 6–7), and may therefore be responsive to emergent norms and expectations from their sociocultural environments, such as those promoted by the LW movement, not least to enhance their legitimacy and reputation. A final reason why an SME might engage in social responsibility, in particular in relation to their employees, is the low social, and thus moral, distance between SME (owner-) managers and their stakeholders (Spence 2016). Employees are generally considered an important moral stakeholder within SMEs, with employers developing caring relationships with employees given their close reliance on them (ibid.). In summary, both strategic and ethical reasons may play a role in SMEs' decision to positively engage with the LW.

## The hospitality context

The hospitality sector is an important industrial sector in the UK. Comprising accommodation and food service activities, the sector in 2019 contributed £110bn to the economy, 55 per cent (or £60.5bn) of which was contributed by SMEs. The sector employed close to 2.4 million people, with close to 60 per cent (1.4 million) working for SMEs (DBEIS 2019b). At the same time, it was an industry with the highest incidence of low pay in 2019: 66 per cent of workers in hotels and restaurants were paid below the RLW, which constituted 17 per cent of the total UK workforce paid below the RLW, the second- largest industry group after wholesale and retail (26 per cent), with health and social care ranking third (14 per cent) (Cominetti et al. 2019). Furthermore, it is known to be an industry with poor working conditions and high staff turnover, leading hospitality managers to face ongoing challenges with regards to the recruitment, development, and maintenance of a committed workforce (Walmsley et al. 2019). The high incidence of low pay in the sector may be explained to some extent by the casual, part-time nature of a large number of jobs (Ignite Economics 2018;Walmsley et al. 2019), but there seems to be an endemic industry culture which is reluctant to reward their employees with better pay. The introduction of a higher minimum wage in 2015 for people aged 25 and over – termed confusingly the ‘national living wage’ by the then-UK chancellor – has been regarded as one of the main ‘pressures’ or threats facing the industry (Ignite Economics 2018). A possible downside to (higher) minimum wages in the hospitality industry is the potential for some businesses, in particular small firms, to enter the informal sector, as was previously observed in studies that examined the impact of national minimum wages when they were first introduced (Ram et al. 2001). Another potential downside is the substitution of younger for older workers to exploit lower-level youth minimum wages (Walmsley et. al. 2019).

Absolute numbers of LWF accreditations in hospitality businesses may initially appear low: at the time of writing about 5 per cent (or about 200) out of the 4,400 accredited private sector LW employers are from the hospitality sector (LWF, n.d.). This is, however, two-thirds higher than the proportion of the number of *all* hospitality businesses in relation to the total number of businesses in the UK (3 per cent) (DBEIS 2019b). These figures bear testimony to the fact that there is both the will and the capacity among hospitality businesses to implement the RLW. They also raise the rather interesting question of what motivates these hospitality businesses to be involved with the LW and how they make it work in their day-to-day business operations.

## Methodology

The findings presented in this chapter comprise three hospitality case studies from the study’s interview sample. The case studies were selected on the grounds that they reveal, and enable discussion of, emergent issues with regards to RLW adoption in SME hospitality businesses (Yin, 2014).The following sections will set out the three case studies and discuss their findings.

## The case studies

### **PIZZABAR**

The first case, *PIZZABAR*, is located in a bustling area in a large UK city, employs 13 people – a mix of full-time and part-time staff – and offers a drinks and mainly pizza-based food service, including the hosting of birthday parties. It caters in the main to customers from within a five-mile radius, although due to good transport links, it also gets customers from further afield.

*PIZZABAR* became a LWF-accredited employer when the owner-director did a tour of a local company that was LWF-accredited and thought that this would be a good idea for her business, too. She emphasizes that since the inception of her business, which happened five years prior to the interview taking place, she had always paid her staff above the LW, so LWF accreditation was for her a way to get recognition for already paying progressive wages. When asked what motivated her to pay above minimum wages to her staff, she responds that she has worked in hospitality a lot herself and knows 'how hard it is'. She adds that in the cultural context she comes from (outside of the UK), working in hospitality is seen as a career and paying decent wages to bar staff is considered the norm, and this is something she seeks to reflect in the way she runs her business. At the same time, she is aware that paying decent wages is bringing her a lot of benefits. She mentions that paying good wages enables her to 'keep people happy', to keep good staff and to reduce her overall staff turnover. She also believes that in a cash business, such as hers, paying a LW keeps theft by staff low. Overall, she thinks that paying the RLW is a net benefit rather than a net cost:

*If you add up all of the hours that you spend in training people, in advertising for people to work for you, in theft, in all these things, I think that at the end of it all actually paying staff more you're going to come out on top anyway.*

In addition, she mentions the benefit that paying a LW as an owner-manager gives her from a personal morality point of view:

*I work really directly with the staff so I have a fairly direct benefit in that it makes me feel better to know they're paid reasonably. We don't have staff coming in who can't pay their rent and can't afford to get the bus to work, things like that.*

Finally, when asked whether LWF accreditation had any surprising effects, she mentions that *PIZZABAR* gained a lot more acceptance from 'a different sector of customer', people who would be familiar with the LWF logo and who thought that it was a 'really positive thing' *PIZZABAR* was doing.

Whilst *PIZZABAR* did not have to make any adjustments regarding the payment of wages on becoming an RLW employer, the question remains how the business manages to survive and thrive in the marketplace. The owner-director explains:

*We've got a combination of factors which mean that we can afford to pay our staff more. I think really it's a combination of me being sole owner, so we don't have shareholders or anyone like that that we need to keep happy, and we look to have quite*

*a high turnover in terms of our sales and we keep our prices really low and we aim to exceed people's expectations a little bit which means that we're often pretty busy.*

She adds that 'another really key thing is that our staff are really friendly', and that because of the flat hierarchy she runs in her bar, her employees take on a greater level of personal responsibility within their role than would be the case in a lot of other bars.

*PIZZABAR's* owner-director is aware that she is an exception in the industry, which is why she felt it was important to get recognition for her approach through LWF accreditation 'in part so that our customers know, but also in part so that more people in the industry recognize the importance of paying people reasonable wages'. She uses public platforms to talk about the benefits the RLW provides, but also to challenge her industry, in particular with regards to the informal economy practices occurring in hospitality, which she thinks is one of the main barriers to people being paid a -LW rate. Asked about her plans to continue with the RLW in the future, she is adamant that 'we actually pay more than the LW, and there's no way we'd ever pay less'.

## **EVENTSAGENCY**

*EVENTSAGENCY* is an events management and hospitality company which provides bar staff, waiters, and event managers to both individuals who want staff to host dinner parties or other big events as well as to companies which need hospitality staff for events.

The company also runs its own events as well as a theatre bar. *EVENTSAGENCY* runs events all over the UK, as well as abroad. The company was founded by its owner-director, who owns all the shares of the business. It employs a small team of four permanent staff, and has over 580 part-time staff on its books – people looking to earn an income through casual jobs, ranging from actors and musicians who are between professional engagements to housewives seeking to earn some extra money.

When asked what triggered his decision to adopt the RLW, the owner-director responds that becoming a LWF-accredited employer was 'instant alignment' of his beliefs in being an ethical employer. He says that, at the time that he sought LWF accreditation, he was already paying his staff above the RLW, and he saw accreditation as a 'public acknowledgement of what we're trying to do with staffing'. He added that he 'do[es]n't believe that anybody should be paying less than the RLW [...] the minimum you need to live off'. This, he acknowledges, sets him at odds with the majority of the hospitality industry, as, he says, 'there is a lot of resistance to paying what they see as junior staff at a decent rate'.

For the owner-director, paying (at least) the RLW is at the core of his business strategy. He says that for the type of service *EVENTSAGENCY* seeks to provide, he needs people who 'got loads of experience [...] [and] choose to come back to us every time they are available', and the existence of his business is 'one hundred per cent dependent on [him] being able to attract and recruit and retain the best staff in the industry'. He tries to achieve that by being flexible, offering his staff work that suits their lifestyle, and cre-

ating a nice working environment. But he adds that he cannot retain staff if he does not pay them properly, so the RLW is the starting salary in his business, and they get often paid more. The owner-director strongly believes that why they ‘win clients and why [they] keep clients is the fact that [they] have better motivated, happier, more experienced staff’, and that LWF accreditation helps him differentiate his business from his low-wage competitors’ in the marketplace.

The owner-director enumerates a long list of benefits that paying a LW brings to his business, based on his ability to attract and retain good staff. He believes that having experienced staff at hand means that *EVENTSAGENCY*’s service is more efficient. For example, a job could be done by his staff in less time or with fewer people, compared to using less experienced people. Also, his staff are more likely to turn up on time, and he says that the event drop-off rate (that is, people turning up late to events and ‘no-shows’) in his business is significantly lower than in competitor businesses, up to 400 per cent, and that this saves him and his clients the need to book any back-up staff. He further says that, because people stay with him, he has a good relationship with them and this makes it also easier to communicate any bad news to his staff, such as sudden cancellation of events.

To accommodate the RLW, the business pays a higher proportion of the money it gets from contracts to its staff. Thus, the owner-director accepts a smaller margin, and he also cross-subsidizes the RLW from *EVENTSAGENCY* doing its own events. This enables the business to stagger any price increases that arise from the annual increases of the RLW rate, and not having to immediately pass them fully through to *EVENTSAGENCY*’s clients.

The owner-director reflects that, while *EVENTSAGENCY*’s business model is still an exception in the industry, there is a growing appreciation among its clients of *EVENTSAGENCY*’s business model. At the same time, he would welcome it if the RLW were to become a mandatory minimum-wage rate. He said that this would put him at an advantage over his competitors, as being an LWF-accredited employer has forced him to streamline his operations: ‘I’d suddenly have the biggest margins in the industry because I’ve already got more efficient processes’. But until this happens, he will regard LWF accreditation as a good tool for ‘selling’ his approach of doing business to his clients and customers.

### ***COMMUNITYPUB***

Located in a mid-sized city in the UK, *COMMUNITYPUB* is a popular local pub, which had built up a reputation as a live alternative music venue for more than 20 years. When the previous, private, pub owner wanted to sell up, patrons of the pub were worried that the place would lose its ‘edginess’ or be turned to different use. An initiative was started to buy the pub as a community venture. *COMMUNITYPUB* now has more than 500 local shareholders, who have between £500 and £20,000 invested in the business, and the pub runs as a cooperative. The pub employs 23 part-time staff, all on zero-hours contracts, and a full-time general manager. It is overseen by a board of directors

consisting of local businesspeople and professionals who have an affinity to the pub and for whom this is a pro-bono role.

The adoption of the RLW was triggered by a discussion at an annual general meeting, at which a number of *COMMUNITYPUB* shareholders, who are described by the board of directors as 'kind of left-wingish', demanded that the pub become an LWF accredited employer. They felt that people working for the pub should be treated well, which also included concern about the zero-hours contracts that staff are employed on. A decision was made by the board not to touch the 'zero-hours contracts' issue, as, so the board directors state, these contracts were drawn up with the employees' agreement, as the flexibility coming with these contracts suited their employees' lifestyles. There was a debate among the board directors as to what to do about the RLW. A few board directors had some reservations, as, so they argued, one should 'get a service for as little as [one] can pay for it' and that there was no need to pay the LW. In the end, however, the majority of the board voted to adopt the RLW for *COMMUNITYPUB*.

This decision was assisted by the fact that adoption of the RLW was almost cash neutral for *COMMUNITYPUB*, although changes to the pay structure had to be made. The previous pay structure contained a significant performance-related element – a bonus for avoiding stock losses – and this, together with an allowance for free staff drinks, added up to the RLW rate. The performance-related element was now taken away, as well as the free staff drinks, and replaced by the fixed RLW rate. The removal of the staff drinks allowance was, so the board directors explained, also part of a drive to improve health and safety, and to make the pub run more professionally.

The reaction to the implementation of the RLW among staff has been mixed. On the one hand, it was felt that it made the pay structure fairer to those few employees who do the accounts for the business and could not benefit from the perks for those who work in the bar. On the other hand, bar staff were perceived to be initially suspicious about the new pay structure, with some being aggrieved over the removal of the drinks allowance. Board directors had to work hard to explain to them why the RLW was a good thing and to get staff to accept the new pay structure. At the same time, the board directors noticed that stock losses had increased – which was of some concern to them and which they hoped would be addressed with the introduction of smart tills in the future. The board of directors also state that the pay increase to the RLW had no effect on staff turnover, as it was extremely low even prior to implementation of the RLW.

*Werner*

More unambiguous were the effects of LWF accreditation on shareholders, who were pleased that *COMMUNITYPUB* had signed up to the RLW. Board directors also felt that becoming an RLW employer fitted well with the pub's image, enabling them to get 'a better balance amongst the stakeholders', which in their view a cooperative was expected to do: a business 'extending care and consideration to customers, shareholders, employees, and the broader world'. One director added that they also relished 'bask[ing] in the pleasure of knowing that we've done it'. With regards to their future commitment to being a LWF accredited employer, the board directors explained

that they would not want to take the ‘bad PR hit of withdrawing it’, and that in the future some minor price increases would help meet any RLW rate rises.

## **Discussion**

The three case studies above provide some interesting insights into why SMEs seek LWF accreditation, what they perceive to be the benefits of being an RLW employer, and the challenges of implementation. They further raise a range of industry-related issues with regards to the hospitality sector.

## ***Motivations***

The findings show the wide range of motivations for why SMEs adopt the RLW, encompassing moral, strategic, and political reasons. *PIZZABAR*’s example provides a good illustration of the low social, and thus moral distance, between managers and their staff that we may find in SMEs (Spence, 2016). The owner-director explains that her personal experience of having worked in the industry influenced her decision as to how much she ought to be paying her employees. *EVENTSAGENCY* illustrates how ethical values of owner-managers (Egels-Zandén 2017), in this case the owner- director’s belief in ‘being an ethical employer’, can shape a business’ decision to adopt the RLW. An interesting variant of this can be found in *COMMUNITYPUB*, where it was the shareholders who demanded that management adopt the RLW, based on political convictions. The *COMMUNITYPUB* case is a good illustration of the embeddedness of SMEs in specific sociocultural contexts (Curran and Blackburn 2001) which may make them responsive to issues such as the LW.

What is interesting to note in the cases of *PIZZABAR* and *EVENTSAGENCY* is that they had already paid LW rates prior to their accreditation. Thus, a motivation in seeking LWF accreditation was the ability to gain recognition for their progressive pay practices going hand in hand with an ability to use it for strategic positioning of the business, which *EVENTSAGENCY* exploits in particular (see below), or an ability to raise industry- related issues in the public sphere, as is especially the case with *PIZZABAR* (see below).

## ***Benefits***

As with motivations, the findings also show a range of benefits attached to LW adoption and accreditation for SMEs. Both *PIZZABAR* and *EVENTSAGENCY* mention a number of HR benefits related to the decision to pay staff at least a LW (Werner and Lim 2016a). *PIZZABAR*, in particular, emphasizes the recruitment and training costs savings made through better staff retention; whilst *EVENTSAGENCY* highlights the fact that through the capacity to attract and retain ‘the best staff in the industry’, it is able to benefit from highly experienced staff, who in turn are able to carry out their jobs in a highly professional and efficient manner. A remarkable finding here is that the owner-director believes that efficiency gains from more productive employees may offset to a large

extent the higher wage costs attached to LWF accreditation. Noticeable is also *EVENTSAGENCY*'s owner-director's perception that paying the LW improves employee relations in such a way that it is easier to communicate 'bad news' to staff. Interestingly, *COMMUNITYPUB* does not mention any tangible HR benefits, but this is likely related to how the RLW was introduced in the business (see below).

All the case study businesses emphasize the positive reputational and brand effects (Heery et al. 2017) of LWF accreditation: something that enhances *COMMUNITYPUB*'s image of a caring business attached to its cooperative model; that attracts a new clientele to *PIZZABAR*, people who are familiar with the LWF logo and seek to reward such businesses with their custom; and that enables *EVENTSAGENCY* to clearly differentiate itself from low-wage competitors in the marketplace.

Finally, there are personal moral and emotional benefits attached to LWF accreditation for the SME's directors. For example, *PIZZABAR*'s owner-director talks about how LWF accreditation 'makes [her] feel better to know [her employees] are paid reasonably', whilst a *COMMUNITYPUB* director talks about their basking 'in the pleasure of knowing that we've done it'; showing that for LW adoption, not just rational arguments count, but that moral emotions play an important role too (Ten Bos and Willmott 2001).

### **Implementation**

Two out of the three case studies, *PIZZABAR* and *EVENTSAGENCY*, had no RLW implementation costs as they already paid LW rates and above when they sought accreditation. This is a finding that is replicated in the wider SME study (Werner and Lim 2016b), which found that more than half of the LWF-accredited SMEs surveyed already paid the RLW rate or above to all or most of their staff prior to accreditation, demonstrating that paying the LW is to a large part a business choice. The accounts of *PIZZABAR* and *EVENTSAGENCY* imply that it is their overall service orientation that helps them make the RLW work in their business. This is coupled with a willingness to accept smaller profit margins, an attitude that can be found among SMEs more generally (Spence and Rutherford 2001). The challenge of accommodating annual LWF rate rises, however, remains a challenge, and *EVENTSAGENCY* in particular demonstrates how this can be done smartly through cross-subsidization, in addition to an overall approach of keeping operations streamlined.

In comparison, *COMMUNITYPUB* highlights how implementation of RLW into a business can present a significant challenge. Whilst RLW adoption was largely 'cash-neutral', *COMMUNITYPUB*'s management encountered suspicion and some resistance from staff, as the RLW replaced an incentive-based pay structure. The company also encountered some unintended negative consequences for the business in the form of stock losses, as avoidance of stock loss was formerly part of the incentive structure. This example highlights that any implementation of the RLW that comes with organizational changes, be it changes in workload, or in this case, changes in pay structure, needs to be done very carefully and go hand in hand with extensive communication efforts as well with

some organizational measures to counteract any unintended negative consequences (in the case of *COMMUNITYPUB*, the introduction of smart tills).

### **Industry-related issues**

Whilst the three cases mentioned motivations, benefits, and implementation challenges that can be observed in SMEs across industries (Werner and Lim 2016b; Werner and Lim 2017) they also raise some interesting industry-specific issues. It is interesting to note that *PIZZABAR* and *EVENTSAGENCY* see themselves as an exception in their industry and refer to employer resistance in the hospitality sector to paying higher wages, whilst *COMMUNITYPUB* itself went through some struggle among its board directors to achieve a breaking away from the usual industry practice of paying as little as one can get away with.

There are some indications that *PIZZABAR* and *EVENTSAGENCY*, with their LWF accreditation, may contribute to a transformation of their industry: *PIZZABAR*'s owner-director, using the accreditation to highlight and critique poor industry practice in public forums – and in particular critiquing the informal nature of many businesses – and *EVENTSAGENCY* by explicitly and strongly promoting a business model that is significantly different to the low-wage models prevalent in the industry. It appears that LWF accreditation helps professionalize the industry and raise overall standards: that *EVENTSAGENCY*'s approach of doing business introduces the notion of a high-quality, highly professional service; and that *PIZZABAR*'s campaigning for the RLW seeks to reduce the 'off-the-books' perceived to occur in the hospitality sector. Even *COMMUNITYPUB*'s organizational changes, made or planned: the aligning of the employees' pay structure with health and safety directives, and the introduction of smart tills, point to a professionalization in how the pub is run.

At the same time, the case studies also show that LWF accreditation does not necessarily address the issue of income security, and that there are limitations in this regard, especially in the hospitality sector. *COMMUNITYPUB* and *EVENTSAGENCY*'s work-force is a casual one and the jobs provided are described as 'lifestyle jobs' that people fit around other commitments. So, these businesses will not feel responsible for securing a full living income for their staff, although the commitment to paying an RLW rate means that their workers are not being exploited.

### **Conclusion and outlook**

At the time of writing, the three hospitality companies analysed in this chapter are still in business and still LWF accredited, although the hospitality industry has been hit particularly hard during the Covid-19 crisis. Maintaining LWF accreditation may be easier if this does not include the commitment to providing guaranteed hours to employees, but overall it is an encouraging sign that the RLW has not fallen casualty to the current public health crisis, as the overall rising number of LWF accreditations also attests. Indeed, it could be companies which have pioneered successful LW adoption in their

business may lead the economic recovery, in the spirit of the UK government's motto of wanting to 'build back better'. Continued commitment to the LW also requires growing awareness and recognition from clients, that LWF-accredited businesses will be rewarded for their ethical pay policies – as highlighted by two of the case study companies. This also requires government policies that recognize the potential for RLW commitment of businesses, including small employers, and provide appropriate incentives and support, in particular during times of economic crises. But it will be the convictions of LWF-accredited employers that a better way of doing business is possible that will continue to challenge 'business as usual' in the years to come.

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