6. Human Resource Management

Competitive session

The Logic of ‘Going Living Wage’: A firm-level analysis

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A Living Wage (LW) is an income that affords employees and their families the opportunity to move towards a decent standard-of-living. For employers, however, the literature emphasises the economic costs associated with its implementation. A relative dearth of empirically-grounded economic cost-benefit analysis, combined with even less attention to the non-economic pros and cons of a LW, provide the impetus for this study. A growing number of employers in New Zealand have initiated LW programmes. Drawing on organisational case evidence, we examine why. Our findings suggest, in a wider context of LW campaigning, that firm-level rationales include employer agency linked to varying economic, operational, HRD and ethical considerations. We develop a model of context-aware employer rationales for a LW.

INTRODUCTION

The Living Wage (LW) narrative has gained traction in NZ. Its initial focus on economic arguments has widened to emphasise social and ethical rationales. The LW movement has advanced not only the aim of addressing poverty but also providing employees and their families with dignity and social justice (Fairris & Reich, 2005). One of its goals is the definition of a remuneration level for those in full-time employment to adequately support themselves and their family's basic needs and modest aspirations. Recently, proponents have accented harder-to-quantify aspects of the LW relating to, for instance, employee dignity, empowerment and well-being. These aspects can be subsumed beneath the International Labour Organization's (ILO) notion of 'decent work' which is central to sustainable poverty reduction and achieving equitable, inclusive and sustainable development (ILO, 2012; 2014).

Yet, LW advocates have struggled to compellingly argue for the positive impacts of the LW due to an inability to reference empirical evidence. At the firm level, this, combined with economic evidence from various countries, has similarly constrained LW analyses. Yet, some employers have embraced a LW. Through qualitative assessment of three organisations, we examine why some NZ employers have implemented a LW, and the nature of and *experience*-based rationale(s) for these initiatives. Our findings inform an initial context-aware, firm-level model of rationales for adopting a LW initiative.

CONTEXT

The LW has moved from the margins of employment and wage-related dialogue and campaigning towards the centre of this activity. In the US, the birth of the LW movement is normally associated with the city of Baltimore (Luce, 2002). In 1994, Baltimore BUILD, a federation of churches, and America's largest union of public workers, rallied for a LW after witnessing full-time employees coming to their soup kitchens and needing additional assistance. By the late 1990s, over 100 local government entities throughout the US had implemented LW ordinances their coverage is often limited (Freeman, 2005). The UK LW movement started around 2000, following calls for the state to increase the national minimum wage. Though this increased to GBP5.80 in 2009, the monetary advantages for low-paid workers were limited. And while working and child tax credits were introduced to help low earners, they can be removed by new governments. The LW was thus seen as a longer-term response. The UK LW movement sought unification by having for one rate for London residents and another for everyone else (Wills & Linneker, 2014), facilitating its national spread.

The LW movement subsequently reached other countries. In NZ, its key advocate has been the LWMANZ, comprised of faith-based religious, union, employer and community/secular groups. Attention to a LW has been driven by factors including increasing income inequality and the emergence of working poor. The LW movement's development in NZ also dovetails with NZ's formal commitment to the ILO's Decent Work Agenda (ILO, 2007). However, subsequent development of NZ's LW movement has occurred in an environment where dialogue about the Agenda has been relatively muted; collective bargaining coverage has fallen to its lowest level; cornerstone employment law has been amended (Blumenfeld, 2015); the national economy escaped the worst of the GFC; those seeking food parcels and clothing has steadily rose; unemployment has grown to 5.6% in 2014; and an 'explosion in the rich-poor divide' has affected NZ society (Rashbrooke, 2013).

Defining a LW

In NZ, the LW has been defined as that 'income necessary to provide workers and their families with the basic necessities of life. [It] will enable workers to live with dignity and to participate as active citizens of society' (King & Waldegrave, 2012, p. 3). However, the wage level at which this occurs remains contentious. Whilst at the crux of the LW is the idea that a person in full-time employment with a couple of dependents should not live in poverty (Brenner, 2005), different perceptions of what constitutes basic needs mean that there is no consensus on LW calculation. Cost-based calculations exist (e.g. Anker, 2011), providing a departure point for economics-based LW decisions by employers. Yet, key issues with the calculation of a LW include that it is inflexible, with many of the workers whom the LW aims to assist coming from lower socio-economic backgrounds and having bigger families to support. However, complexities associated with defining a LW do not make it an impossibility (Anker, 2011). And whilst external determination of a LW may sit uneasily with neo-liberalist calls for less regulation of the wage-effort relationship, its voluntary application in NZ contrasts with the mandated nature of many labour standards.

Firm Rationales for a LW?

According to many opponents of the LW, the LW raises employers' costs. Why, then, have some NZ employers sought LW accreditation or informally met its criteria? The following review shows that much extant LW research emphasises campaigns (Werner & Lim, 2015) over the dynamics of actual programmes. Moreover, most LW analyses are not based on local-level empirical investigation on which potential adopters might draw. However, we can seek to 'tease out' any firm-level rationales from these works, which also emphasise *anticipated* more than *experienced* factors.

The business case

Most LW studies involve macro-level analysis and have been preoccupied with its economic implications. Studies that lend support to LW initiatives tend to focus on the economic savings, related productivity increases, and operational efficiencies that accrue over time. Maloney (2013) notes that the effect on overall production costs would be minimal (one to two per cent for the average firm), and overall costs in the long run could fall. These studies stress long-term ROI from LW-instigated change; a prerequisite is thus a strategic commitment to labour (Arrowsmith & Parker, 2012).

However, LW opponents frequently argue that its implementation will encourage 'labour substitution', a decrease in jobs so as to negate increased labour costs, reduction of employees' hours, and a 'ripple effect' for highly(er) skilled employees (e.g. Lammam, 2014; Neumark & Adams, 2003; Sander & Williams, 2005). However, they often draw on research around increasing minimum wages. In NZ, minimum wage statistics (Pacheco, 2011) have also been used to suggest that labour substitution will occur and could result in fewer job opportunities for young, lower educated, trained and skilled workers and also those of Māori and Pasifika descent (Maloney, 2013). Actual empirical evidence on the LW effects on vulnerable workers is yet to be produced, however.

Operations, upskilling and retention

Supporters have long advocated that the LW acts as a positive influence on employee motivation and productivity. Brenner's (2005) US empirical study found that, of the employers who implemented a LW, 25% reported improvements in employee *effort* as well as greater employee *morale*. Other employee outcomes have also been identified by Reich, Hall & Jacobs' (2005) San Francisco study which showed that, after a LW was implemented, large declines in *turnover* and increases in overall *work performance* occurred. The LW has also been found to help improve the health of its recipients (e.g. Landefeld, Burmaster, Rehkopf *et al.* (2014); Bhatia & Katz (2001); Wills & Linnekar, 2012).

Carr, Parker, Arrowsmith *et al.* (2015) assert that a LW presupposes the existence of a poverty trap, escaping from which requires 'not just scraping-by on a minimum wage but also enjoying a quality of work life and life in general.' Elements of these include workplace empowerment, justice, identity, voice and job satisfaction, which may spill over into life satisfaction (happiness) and well-being.

Compliance, ethics and social responsibility

Managers have legal and ethical obligations towards their workforces (McPhail, Jerrard & Southcombe, 2015). There is growing evidence in NZ and beyond that businesses wish to be 'branded' as ethical and socially responsible citizens (Yao & Eweje, 2013). The existence of accreditation criteria and accredited employers could lead others to consider their ethical and economic footprint. LW employers might consider how their socially responsible behaviour may help to alleviate pressure on the welfare and taxation systems. Another societal impact from firm-level implementation of a LW concerns crime. Fernandez et al. (2014) compared US cities with a LW to those that had either voted against or had no LW from 1990-2010 and found that the LW helps to reduce crimes with pecuniary motives. Equivalent firm-level analyses are lacking, however.

Beyond the above studies and NZ accreditation criteria, there is no definitive framework on which a firm can draw to rationalise the implementation of a LW, nor to benchmark its capacity to be an effective LW employer. An absence of enterprise-level LW data is also problematic for the HRM function which needs to demonstrate its contribution to the pursuit of enterprise effectiveness. It is thus necessary to understand employer rationales for implementing a LW as this viewpoint is alluded to but rarely forms the focus of extant analyses and theorisation. This review indicated that enterprise rationales encompass a business/economic case; operational, employee attitude and behaviour; compliance and ethical concerns in and beyond the workplace. In our study, we examine three NZ organisations to ascertain which rationales inform the decision to execute a LW initiative.

METHODOLOGY

Several organisational cases were examined so as to yield exploratory empirical material (Janesick, 1994). They hail from the food manufacturing, contract security and retail sectors and are small, micro- and large employers, located in south Auckland, Christchurch and nationally. In mid-2014, senior managers from each business took part in on-site interviews. Their semi-structured nature enabled intra- and inter-case comparisons, and elicited additional points concerning a LW. Interview recordings were transcribed. Case analysis involved an iterative analytic process wherein informants' comments were manually categorised and aggregated, in response to both interview questions and themes emerging from the data. Analytic outputs were triangulated to assess for case commonalities and differences, enabling the development of a model of employer motivation for having a LW.

Case analyses

Nice Blocks

This small, artisan ice cream manufacturer started operations in 2010. Shareholders came on board as co-directors with co-founders, James Crow and Tom Holden, and the five of them built up the business. Because the business is pro-growth on a sustainable basis, it has developed slowly but with 'super low' staff turnover. As with many small NZ start-ups, staffing is largely a family affair. Sampling and merchandising staff take the company total to 20, two-thirds of whom work full-time following recent expansion of Nice Block's sales support to supermarkets. They are aged 17-45 years, and two-thirds have dependants (not the samplers, however, who need to be available for work on certain days). Where possible, Nice Blocks hires in-house; individuals are up-skilled so that 'everyone knows how to run a bit of everything.' Education-wise, there is a mixed model among the company directors, from entrepreneurs starting the operations to a University-educated food technician.

From its inception, Nice Blocks set itself a high bar with wages and other means of valuing staff, reflecting a strong ethical concern that permeates the business. For example, its first hire was on NZ$20 - even before a LW was formally established in NZ. Reflecting ethical life choices and familial influences on Crow, Holden, some directors and staff, as the business developed,

> touch-points such as organic, gluten-free, animal-free, LW, Fair Trade and hiring a majority of women over 45 years with children as our head sales positions. They were all the right choices but … they were also the most ethical choices, and put us above the standard for our industry.

Further, the company's ethos means that the economic return from having a LW is seen as an *eventual* (or strategic HR) outcome - as profit-making without an ethical cost. Crow feels that other businesses may become more concerned with the LW 'business case' if more people make ethical purchases.

Nice Blocks has always met or been above the market standard on wages - the LW was adopted by default. The company became aware of the LW movement after watching *Campbell Live which discussed* an organic food business in West Auckland attempting to gain formal LW accreditation criteria. Looking to adopt the LW, Nice Blocks realised that virtually all of its staff, were already paid at or above that level. Whilst the company had no time to focus on related strategic marketing and brand alignment at that time, when the LW rate increased in 2014, it had 'a little bit of freedom of thought.' Staff were informed that their pay had been raised to the new rate if they were not already on more (50% were already paid NZ$20 an hour so the increase affected the base production staff). LWMANZ contacted the company which became one of the 20 first formally-accredited LW employers in NZ, which it intends to remain with stakeholder support:

> No-one ... has questioned it because they understand that gives us longevity in an industry where the pay rate is always, 'How cheap can we pay our base?' ... And our customers actively buy us. They spend that extra dollar because they know who it's going to.

Accreditation status also became instrumental in spreading the firm's ethical reputation; Nice Blocks currently has around 7,000 fans on social media. Also, the business's approach to staff has sustained an upbeat employee orientation to work, yielding positive operational and productivity impacts:

> Someone will say, 'I need to do something but I'll be in at 11. It's like, 'I don't need the day off' ... [But] money is the base communication … in that, every single hour, we're valuing more than many other people around us. It's completely sub-conscious but they do work harder for us ... Whether it's the LW, and certainly it's the culture that brought the LW into the business, they always meet or exceed our expectations.

Another rationale for the LW relates to staff empowerment from having their expectation levels of their employer raised. Staff have not really discussed their wages in terms of living standards but

Crow was aware that 'they don't have to do much' in terms of, for instance, moonlighting or coming to work tired, implying that the wage level links to Nice Blocks' settled, healthy, motivated and engaged workforce. Moreover, the company felt it was 'comfortably above' a pivot point in terms of job income for people who want a decent standard-of-living.

The firm also indicated that there will be a positive employment effect from its LW. It has increasingly shaped its shifts and run times over time, and permits its staff to take a few extra hours but does not run an overtime programme. However, Nice Blocks assesses that it is time to

> shift that time to another employee, bring in another person to aid that team, and not overwork a current employee ... We're stopping it before the tipping point of people working too long.

Mi-Guard Security

This micro-firm began operations in early 2014. Its CEO, Nigel McFall, wears many 'hats', including those of HR manager, operations manager and security guard. His wife, Megan, does much of Mi-Guard's administration. In February 2014, he hired his first employee, a former security company colleague. McFall knows that the industry is beset by problems which influenced his decision to establish Mi-Guard. These include industry 'pay inertia' (e.g. guards working on NZ$14-15/hour) and low quality staff for jobs. A decade ago, professionalism in the industry was higher but

> it's turned into this minimum wage thing. Things have corroded with [workers] in the industry who don't have the skills to do the job properly. Those guys who are fantastic security officers aren't getting paid what they're worth and they're the ones you lose … It's not about recycling the staff who're already out there – it's about trying to entice people either back in or to consider the security industry where they probably wouldn't have before.

First Security provides most of Mi-Guard's work, its contract encouraging Mi-Guard to grow quickly to employ seven people as casual security guards and in administration. All but one of its guards are male. Staff are aged 23-60 years and span a range of ethnicities. Most joined Mi-Guard with relevant work experience. They have a low aggregate level of formal education but some have industry qualifications. Most have dependent children.

Like Nice Blocks, Mi-Guard has always paid staff a LW rate but was always aware of doing so, seeing it as fitting with staff who work with few (HR) problems. Low profit margins and simple systems allow it to address an industry issue: the gap between what client organisations pay security companies, and what security companies pay their staff. Still, basic staffing costs are increasing, partly due to recent regulation requiring several unit standards with which the industry and officers must comply. Some have opted to enter other industries without these costs and some security companies provide in-house training in a context of current and anticipated labour shortages. McFall believes that if the industry 'went LW', the guard shortage would disappear and people would want to train.

Paying the LW level is also a response to McFall's own industry experience. He had been working 40+ hour weeks but this 'wasn't enough' for a decent standard-of-living. He credits his passion for the industry as helping to infuse Mi-Guard with a different-to-the-norm approach and a social conscience. A LW is seen as more than a nod to working poverty and helping people to cope - it is an enabler of discretionary saving and spending which helps their quality of work and living:

> if you're a person who wants to change things … you incorporate LW into that. The LW ... was like-minded, just a great 'fit'... It was really important for me to see it through. The ways that I've structured my business are very simple, so it makes sense … Once you've been there – I think it's those people … who've never had that who find it hard to grasp.

Their LW is one component of a wider approach to HR, CSR and business. McFall wants Mi-Guard to be known not only for a LW but also its good security staff, affordability and hard work ethic.

Like Nice Blocks, Mi-Guard did not initially consider its LW as a media platform. However, soon after its start-up, and a press release on it being a LW employer in June 2014, the company received work from First Security (a non-LW employer) who recognised that a sub-contractor paying its staff more would have good guards and 'would not bring their company into disrepute.' This unexpected reputational capital changed Mi-Guard's short-term plans; it took on more guards who also work for other security companies at different pay rates. The LW thus led to some job creation. It has also drawn some employees off state benefits and helped to recalibrate others' working time arrangements.

Mi-Guard's LW is not conditional on staff skills, qualifications, service or other criteria, and the company found LW accreditation straight-forward. Mi-Guard, too, is a LW 'pioneer' in its industry where 'it's been the minimum wage forever.' The only area of accreditation requiring planning concerned union access. McFall likes working with a union, venturing that this makes him 'very different' to most other employers. The biggest LW challenge for Mi-Guard has concerned educating people in the industry who 'automatically think that if you pay more, then it's going to cost you more, you'll charge out more ... When I explain it to them, they almost can't understand it, it's too simple.' Mi-Guard intends to remain a LW employer as well as emphasise a career path with commensurate earnings to keep staff motivated and striving in their work, and to encourage students to consider a career in the industry. Again, this was borne of McFall's dislike of 'nothing to look forward to' when he worked elsewhere in security. However, Mi-Guard's career paths will largely depend on the contracts that it wins and those who come on board, first as casuals and then in permanent roles.

The Warehouse Group

TWG comprises The Warehouse, Warehouse Stationery, Noel Leeming and Torpedo7. Unlike the other cases, this is a large private employer of 12,000 people (9,000 FTEs). Auckland-based staff reflect the national population profile. In other communities, TWG operates with a high proportion of Māori and Pasifika and more variable Asian representation. Profile differences across its main businesses include more Indians and males in Noel Leeming (relating to technological skills and educational backgrounds) and more females at the red and blue sheds.

Group CEO, Mark Powell, worked in mining in the UK. After the 1984 Miners' Strike, he transferred to retail where much of his training was in distribution centres. Here, with large numbers of people doing manual labour and tough production targets, he learnt

> a lot about leadership … engagement, and you learn to do it typically in a place where unions can be very adversarial due to poor management in the past ... It makes you really work hard to lead well ... it's directive *and* participative, it's listening *and* telling, it's understanding *and* firm, it's people *and* productivity.

He came with his family to NZ 12 years ago. Unlike Crow and McFall, Powell joined an established business. In early 2009, he was appointed CEO of Warehouse Stationery and came back onto the company board fully. He quickly had products with high return rates removed from stores, and sought a cultural shift, believing that only the CEO could drive this kind of change. Drawing on overseas experience, he emphasised a need for clarity of purpose ('it starts with the customer'), principles, priorities, problem-solving leaders, cross-functional ways of operating - and good communication across the organisation. After success in this role, Powell was appointed Group CEO.

Powell's comments often emphasised people in the business whilst recognising that many TWG employees are not highly paid. He led the introduction of TWG's two-stage Career Retailer Wage (CRW) initiative in August 2013. Eligible staff, averaging around NZ$15.50/hour, received a pay increase of NZ$1.50 in the first year and the same in the second. Half of (6,000) TWG staff are now on the CRW. TWG staff can only attain the CRW if they have been with the Group for 5,000 hours (c. three years) and complete three training levels. The CRW is thus informed by *some* accreditation criteria. In TWG, short-term (e.g. student) employees and trainees on a lower wage are distinguished from those who are trained and progress to the CRW rate. Powell feels that this legitimate because paying a CRW to the former could lead to an unsustainable ripple effect on the pay rates of other staff. He felt that ethics provided a key rationale for the CRW:

> What should companies be doing? ... What are the social implications? ... If you've got people who've worked for you for three years, earning $14, $15, $16 or $17 an hour, is that right? Can you challenge yourself as a company to pay such people more? ... [What's] good about retail, you're confronted with that all the time because you've got to ... talk to your people.

Powell was disappointed that the issue had not gained more traction, given a 'public pressure campaign on employers' in NZ where 'cultural values ... [are] pretty egalitarian.' On possible reasons, he queried the movement's structures and independence, and companies perhaps not wanting 'to be at the behest of someone else that comes up with what they may see as arbitrary numbers.' He also pointed to staff coverage, affordability and implementation time issues though the LW rate has helped with benchmarking the CRW. Combining personal values with business benefits, Powell said, was a way of showing genuine care for TWG people. TWG's leaders put a strong LW business case to its board members and gained agreement. It was not 'classic' in terms of demonstrating a certain return 'because the benefits are not totally quantifiable' but it stressed tangible pros and cons, including putting some parts of the business under pressure whilst still aiming to hit overall business targets.

CRW benefits were seen to include lower churn (a key concern for retailers) and staff who feel more valued, engaged, committed and thus serve customers better. Further, the CRW training requirement has put some internal pressure on store managers and employees themselves to train. Linked to the training criterion stressing staff motivation and retention, improvements in people seeing retail as a career was noted. Powell assessed that the CRW has been well-received in and beyond TWG. While the CRW and HR framework has helped TWG to make 'huge progress' with customers,

> (p)rofit has stood still ... [For] really embedding a way of working and a culture that was where I'd want to be, I'd give us 'amber'.

DISCUSSION

Our analysis of why three NZ businesses have LW initiatives has surfaced both similar and case-specific rationales. The emergence of each initiative coincides with the development of LW campaigning and discussion in NZ. Whilst there remain relatively few accredited LW employers, each case company has drawn on and/or helped advance this wider LW narrative, itself set amidst growing worker and familial poverty, widening income levels and 'thinning' employment regulation.

Notwithstanding this, each business leader is strongly and personally committed to ethical business conduct. Nice Blocks and Mi-Guard's smallness helps their CEO's direct influence over company strategy through front-line operations. In TWG, leader agency is fostered by the disciplined hierarchy of retail organisation, enabling concentrated yet front line-informed decision-making at executive level. Also, none waited to be officially sanctioned to adopt a LW. This requires company 'readiness' in terms of confidence and deeply-held principles. The business ethos of each leader is generally supported by employees, due to their own workplace experiences and/or value systems. Also, an ethical rationale for a LW *informed* the companies' economic systems – albeit in different ways and from different financial 'health' points. For Nice Blocks, sustainability ethics underpin all processes. In Mi-Guard, also operating in a cost-driven sector, ethical considerations complement a simple, low overhead approach. TWG's financial system is sensitive to 'minute swings and percentages' and high customer interface; a LW is factored into cost-benefit analysis that goes beyond the 'economic'.

Each case evidences a strategic HR approach with its LW or equivalent. 'Returns' are seen as immediate *and* long term. Nice Blocks will wait for higher profit so as to protect the interim health of the business and employees. While the TWG's CRW has dented shorter-term profit, greater dividends will eventuate through better working and culture. Mi-Guard's above-industry wages reflect a vision of how security provision can look. Each company sees staff as investors in the firm, and has gained the buy-in of other management functions for their LW.

However, these LW returns go beyond the 'financial' and the workplace. Whilst elements of the LW are hard to quantify, our evidence revealed a shared *experience* that higher pay was off-set by actual and potentially 'wins' to employers, staff and society. Informants yoked the LW to increased employee motivation, well-being, happiness, training, up-skilling, engagement/input and retention. Wider effects included better work-life balance; 'consciousness-raising' via a media profile; improved family living standards; and job creation. Whilst these reasons for implementing a LW were discerned here, some (e.g. well-being) are better gauged by employees (e.g. via a company survey).

Modest job creation and/or redistribution was identified in the first two cases (cf. the Treasury (2013) and Lammam's (2014) labour substitution arguments). This may seem counter-intuitive for small/young companies, given a 'pro-business' view that SMEs struggle to survive and regulation increases this challenge. However, our evidence shows that their relatively simple operations and 'non-path dependency' helped them to meet accreditation criteria. The TWG case suggests that established/larger companies have more complexity to address. TWG charted a middle course and met some accreditation criteria; it experienced and accommodated the 'ripple effect' (Pollin *et al.*, 2002).

The cases thus share rationales for the LW and a common intention to continue with it. Differences in rationales emerged as a matter of *extent r*ather than dissimilarities *per se*. The sustainability ethics that underpin Nice Block's LW and wider operation are very strong, for instance. A low pay history in contract security and retail informs the strategic HR and business approach in Mi-Guard and TWG. Whilst we have examined only three organisations, sector/industry does not emerge as a particular influence on propensity to introduce a LW. More widely, the need to attract more and larger employers to accreditation suggests the need for greater engagement between the LWMANZ and companies around the current criteria, including with regard to the role of unions. Figure 1 builds on the above *case* discussion to proffer an initial model of economic and non-economic firm-level rationales for a LW initiative in NZ. It is thus *experientially*-based; purported or macro-level costs and benefits covered in the literature but not raised in relation to the cases tend to concern 'wider' LW effects (in grey); a critical mass of employers 'going LW' is likely needed before they can be added. The model provides a framework of rationales for consideration by other businesses contemplating a LW, and for theoretical refinement from subsequent investigation.

INSERT FIGURE 1 ABOUT HERE

CONCLUSION

This case research shows how small and large businesses, even in different yet competitive private sector industries, have benefited from moving to a LW. Having a LW from start-up or introducing it into existing operations is not without challenges and costs, but the economic and social context in which such measures are adopted, as well as particular firm-level antecedents, are critical stimulants. The study provides a departure point for modelling the propensity of companies to implement a LW; subsequent work might assess whether the rationales emphasised here resonate across companies and the life of a LW initiative. A LW is not a panacea for all social and economic ills but its nonconsideration by employers as part of wider investment in human capital may exacerbate workplace and wider problems, and the development of 'closet egalitarianism' (Wilkinson & Pickett, 2010).

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Figure 1: Model of firm-level rationales for a LW in New Zealand

Wider and firm environments/antecedents

- LW campaign
- competitor behaviour
- industry-critical, strategic leadership
- Decent Work Agenda
- 'first mover' confidence
- varying firm economic circumstances
- manager/staff industry experiences
- union relations, company size and longevity (for accreditation)