



cutting through complexity

KPMG UK LLP

Our Living Wage experience:

Inception, Implementation, Impact

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Background - Inception

- **First approached by Citizens UK the charity that initiated the Living Wage Campaign in September 2005**
- **The merits of the Living Wage were taken to our Boardroom and have stayed there since**
 - Part of our values everyone that works for KPMG UK is paid fairly
 - Living Wage is now integrated into our business
 - Supply Chain
 - Recruitment
 - Client engagement
- **Proactively used as a way to increase our competitiveness, reduce business costs and increase profitability**



Profile of KPMG UK on-site contractors

Third Party Contractors employees work on all 23 KPMG UK sites

- **Delivery of services in KPMG's UK offices is through a mix of in house and outsourced suppliers – one team**
- **c.700 outsourced on-site supplier staff**
- **Combining knowledge and expertise**
- **Suppliers have taken a positive view of delivering Living Wage as key part of delivering success to KPMG UK LLP**
 - The most challenging area to implement
 - Whilst complex, not complicated
 - Use of contract break points critical



What did we do in 2006 with our employees?

- Re-evaluated the routes we used for recruitment
- Identified opportunities for service refinement
- Improved risk management, eliminated poor practices
- Ran a Payroll Audit to scope the size of the issue



What did we do in 2006 with our suppliers?

- Re-evaluated service provided and models used for delivery
- Identified opportunities for service refinement
- Motivated staff by developing skills and increased responsibility in line with increased salaries
- Commitment from both sides – partnership approach



Living Wage Journey



2005

Developed a change management strategy

Implemented Living Wage Nationally

Sharing our story with others

Pro Bono support to establish the Foundation



2012

KPMG became Living Wage accredited

Supporting businesses with Living Wage implementation

2015



Our Experience since Implementation

Better Quality Service

Fewer Helpdesk
Complaints

Staff Turnover Reduction

Better Performing Staff &
reduced overhead costs

Positive Client Feedback

Increased Staff
Productivity & Motivation

Employee Loyalty to
customer & Supplier

Improves relationships
with third party
contracting

Less time spent on micro
management



Employers experience – supported by external research

Introduction of LW resulted in staff leaving rates falling by 25%

Over half of those in LW workplaces felt more loyal towards their employer

Companies paying the LW identified improvements in the stability, attitudes and characteristics of workers

Cost increase mitigated by improved quality, production



Thank you

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