

Low Pay Commission
6th Floor
Victoria House
Southampton Row
London
WC1B 4AD

22nd September 2014

Dear Mr Butcher,

It has come to my notice your invitation to comment on the current consultation on the national minimum wage. As a director of a small manufacturing and wholesale business, with three working directors, 45 full time and 1 part time employees I felt free to give a few observations as I see them.

As a company we see opportunities for growth, and this is in our current markets through increased market share, and innovation in new products as we see a need arising. Export opportunities are also available although growth at present is UK driven. Central to this is an efficient trained and motivated staff force, which, although not wholly driven by monetary reward is a vital part of what ensures a reliable team. A few points I would make in this regard:

- We pay all staff, even new employees above the current minimum wage.
- This keeps needless turnover of staff to a minimum and decreases those who would simply leave and join another company. Staff loyalty is key.
- We are therefore the greater able to insist on a level of productivity for any given position within the company. If persons are not prepared to work to a reasonable standard, and get rewarded for it, then there are others who are.
- Sales personnel are offered generous commission to reward sales achievements.
- A factory wide bonus is awarded if certain criteria is met, for example levels of service, health and safety targets, production levels etc.

This policy of paying good staff wages we have found has had a beneficial effect on our company, with continuous growth since 2006, both in turnover and profit levels, with 2014 on target to be our most profitable year yet. But quite apart from the benefit to our own business I think the following benefits would be realized by the country as a whole:

- It would be a real incentive for persons to get into work if there was an increased wage package at the end of it.
- Less incentive to 'stay at home' on security benefits.
- People will work harder if they are paid better.
- Loyalty and honesty will be much more often encouraged.
- Anyone who is prepared to do a day's work is entitled to decent remuneration and it is a selfish outlook to be only thinking of maximising profits and returns to shareholders. That will come but generosity never goes unrewarded.
- **The money earned would almost certainly go straight back into the economy through the local community, and boost it by an equivalent amount.**
- So that a larger increase to the minimum wage would be of great benefit to the whole economy. Certain industries may be afraid of it but it would result in a better work force, a better service, which most would be prepared to pay for, and a direct increase in the country's GDP.

I have not gone into detail on the actual level of the hourly rates for each category but rather to point out what I feel are the advantages of increasing them as much as possible. That is my reason for writing to you in response to your invitation.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M J Parsons'.

Michael J Parsons
Director