The Ethicality of the Severe Wage Gap in Cleaners Salaries in South Korea

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Abstract

This paper is a first attempt to examine international visitors’ perception on South Korean cleaners’ work and wages. In the hospitality industry, for example, one of the vital components is the housekeeping department. The role of cleaners in the housekeeping department is to fulfil basic functions, meet health standards and to satisfy guest expectations. Cleaners are the employees who are in charge of cleaning guestrooms, public restrooms, and other public areas. However, their salaries are considered low. In this study, focus group discussions and a questionnaire survey were conducted. The focus group results present that one’s perception can be influenced and changed by others’ views. For example, only one focus group discussion participant thought that cleaners’ salary of about one million won was not enough. However, after the presentation and discussion, 13 participants changed their opinions. The questionnaire survey results suggest that survey participants think: A CEOs’ work is more stressful than cleaners’ (57% vs. 45%), A CEOs’ work requires more responsibility than cleaners (61% vs. 34%). Regarding salary, more participants believed that 1) A cleaners’ salary of about one million won was too low (39% agreed vs. 15% disagreed), 2) A CEOs’ salary of about hundred million won was too high (37% vs. 20%), 3) A CEOs’ salary about ten million won was not too high (41% agreed vs. 17% disagreed). This study result is important for the tourism industry as it employs many cleaners in South Korea and millions of cleaners globally, and the gap between national minimum wages and the cost of living is constantly increasing.

Keywords: Cleaners, minimum wage, equity, unequal treatment, maximum wage, South Korea

Introduction

Tourist attractions are usually clean thanks to cleaners’ efforts. What if these attractions are abandoned without cleaning? Isn’t visiting dirty places more awful than travelling without a smart phone? Isn’t living in dirty places considered more dreadful than living without a smart phone or smart phone games? However, despite cleaners’ crucial roles, they seem to be paid far less than mobile application developers, marketers, sellers, CEOs, etc. For example, cleaners’ hourly rates are known to be AU$17.51 - AU$25.45, NZ$14.66 - NZ$20.25, C$10.98 - C$20.57, UK£6.40 - UK£10.11, whereas, mobile application developers can get a salary of about US$47,244 - $106,758 and chief executive officers’ salary can range from $73,408 - $336,973 in America (Pay Scale 2018a, b, c, d, e, f).

Historically, cleaners were viewed as slaves, “a person who is the property of and wholly subjects to another” (dictionary.com, 2018) and thus were not paid and usually treated without dignity by their masters and others in society. “Slavery can be traced back to the earliest records, such as the Mesopotamian Code of Hammurabi (c.1860 BCE) . . . The abolition of slavery occurred at different times in different countries” (Wikipedia, 2018a:para2 & 2018b: para1). The Slavery Abolition Act 1833 was established in the United Kingdom (Wikipedia, 2018c). In America, “slavery was legal in all of the thirteen colonies in 1776. . . slavery ended with the Emancipation Proclamation, issued by President Abraham Lincoln on January 1, 1863” (Greene & McAward, n.d.: para 1 & 2).
As slavery is gradually abolished, cleaners are paid slightly better wages. However, it seems that modern masters are not willing to pay what is required for a decent life. It also seems that many people think cleaning is not as important as developing smart phone games, managing companies, teaching at educational institutions, publishing research results, performing presidential duties, etc. As a result, people seem to think that cleaners should be paid less than those performing other jobs. Is cleaning less important than office work or are we taught to think that way? Is physical work less valuable than mental work or are we learned to think that way?

If one adopts an ethical approach, it is apparent that cleaners have to deal with dirty and foul garbage, often causing them severe stress. Construction workers’ lives can often be in danger while they are working in hazardous environments. A clean and safe work environment is essential for people’s survival, while smart phones are only conveniences in people’s lives. Nevertheless, it is easily observed that cleaners are not paid enough anywhere in the world and many are to all intents and purposes treated unfairly.

In many countries, government-set minimum wages very often fall far short of what many evaluate to be a living wage. The reality is that there is an immense amount of the people in the emerging economies performing cleaning tasks and most struggle to survive on wages that are barely enough to cover their most basic daily subsistence needs. It is common knowledge that in the absence of a living wage, workers may be obliged to work excessive overtime hours or in fact have multiple jobs. Many become desperate and cannot feed their families and thus often put their children into work instead of sending them to school. Poor wage earners such as cleaners are often denied their basic human rights and many are unable to endure calamities such as ill health. Surely if cleaners get a fair wage they will be more productive and better motivated and thus less likely to leave their job and seek other work.

Who are decision makers for cleaners’ wages or salaries? Can cleaners participate in their payment decision making? According to Shin (2014:1339) “An analysis of 185 US firms provides evidence that labor’s bargaining power reduce the pay gap between executives and nonexecutive employees.” However, cleaners can hardly even contemplate to complain about their low payment as they are fearful of losing their short-term contract work, and labor union for cleaners are not active in South Korea thus posing greater challenges. There need to be mechanisms to set national minimum wages that equate to living wages for cleaners. As cleaners do not all have the benefit of unions to back them, the sustained development of international standards for business ethics and fair wages is vital to the wellbeing of cleaners.

It is understandable that certain workers are paid more than others. The matter is the size of the gap among diverse works and positions, as some are paid more than enough, while others are not paid enough to provide their children with basics and important higher education. Stelzer stated (1997:26), “…79 percent of those polled said that CEOs are generally overpaid.” According to Shin (2014:1),“Numerous media reports have cited the widening pay gap between executives and average workers.” Serious payment gaps can cause unequal education opportunities for employees’ children. Though higher education does not guarantee one a happier life, higher education degree holders can have more work opportunities than high school degree holders. As the world resources are limited, it is clear that overpay or overuse of resources for one group of workers can infringe others’ rights as they get even less.
There have been many movements for equal treatment or opportunities, and against political corruption, e.g. The French Revolution from 1789 until 1799, The Donghak Peasant Revolution against upper class corruption in 1894, The Civil Rights Movement from 1954 until 1968 (Wikipedia, 2018d, 2018e, 2018f). Thanks to the efforts to remove discrimination, caste systems have been destroyed in many countries. As a result, it is difficult to find any restaurants, educational institutions, or other workplaces that prevent one’s entrance due to either one’s social status, race, religion, or nationality. However, there are many opportunities the poor might not be able to enjoy, for example inter alia, higher education, living in a comfortable and safe house, overseas travel, and staying at decent accommodation while traveling.

It used to be a convenient world for the upper class thanks to inherited wealth passed down across generations. Today, it seems to be a convenient world for the able or the smart who are usually higher education degree holders, or for people with a higher intelligence quotient. There have been efforts made for building good societies without discrimination, without immoral and greedy decisions, or with more equal opportunities such as in South Africa. It is obvious that the extreme wage or salary gaps can and do cause unequal opportunities. The severe wage or salary gap can be regarded as an avaricious decision making result, causing low wage workers to struggle to survive while high salary receivers to enjoy excessive consumption. As it is people who make a payment decision, views are important for a more ideal society in which no one is excluded from a range of opportunities she or he wishes to enjoy. This research was designed to examine people’s views on cleaners’ work and wages, since social members’ views can exert strong influences on a process of decision making such as cleaners’ wages or salaries.

**Literature Review**

**Payment Gap**

There were times when slaves were in charge of cleaning for which nothing was paid at all. Cleaners have been paid since after the abolition of slavery in the mid-1800s. Cleaners’ payment rates have risen based on the increase of minimum wages by through laws, e.g. The Fair Labor Standards Act in 1938, The Fair Labor Standards Amendments in 1949, The Fair Minimum Wage Act in 2007 (Congressional Digest Corporation, 2013: 2). The minimum wage varies in different countries, e.g. it was 7,530 won in 2018 in the Republic of Korea (Wikipedia, 2018g). In the case of America, minimum wages vary from none (Alabama, Louisiana, Mississippi, South Carolina, Tennessee) to $9.50 (D.C.) as of 24 February 2015 (NCSL, 2015). In South Korea, 10-year career cleaners serving in a local government are annually paid more than 45,000,000 won. However, many other cleaners who belong to a service company or an agency get paid less than 1,500,000 won per month (Seo, 2009:para1), which is far lower than the salaries of the 100 major Korean companies, paying an average amount of 116,413,000 won for an executive and an average amount of 67,290,000 won for an employee (The Hankyoreh, 2013). If a wife and a husband are both agency cleaners, family annual income would be about 36,000,000 won per annum, while a couple working in an office for major Korean firms would get the annual income of about 134,580,000 won, around 4 times the annual salary of cleaner couples.
Mcdonnell (2007/08:586) argues, “The compensation of chief executive officers (CEOs) and other top business executives has soared in recent years... For the CEO of a large company, pay went from about one hundred forty times the pay of an average worker in 1991 to about five hundred times the pay only twelve years later.”

Venkatasubramanian (2009:766) has stated, “In recent years, there has been great concern over the high pay packages awarded to the Chief Executive Officers (CEOs) of U.S. corporations. The ratio of CEO salary... to that of an average employee has gone up from about 25–40 in the 1970s to as high as 344 in recent years in the U.S... Compared with minimum wage, the ratio has risen from about 50 in 1965 to about 866 in 2007. According to Cox, “CEOs at the largest U.S. firms now make 271 times more than the average worker” (2017:para 2).

While it may be true that more money does not guarantee more happiness, financial affluence can provide more opportunities. Children with parent(s) working at an office can enjoy more opportunities than the children of cleaners. Poor family daughters and sons’ lost opportunities can be higher education, full time studying without part time work, overseas study opportunities and a range of various free time activities including overseas travel. The mentioned opportunities are often a bone of contention and a sore point for the sons and daughters from low, irregular, or zero income families. The world is highly unjust and discriminatory for them. An example of poor family sons and daughters can be “211 million children, less than 14 years old, working worldwide... [working] long hours under hazardous conditions, [receiving] a low wage” (Wahba, 2006:823). According to Basu and Van (1998), “... a household only sends children to work if the household’s income... is very low because of adult wages are low” (Wahba, 2006:825).

**Minimum Wage and Living Wage**

Low or irregular income families children can have burdensome lives caused by their parent’s low wages, which are set by bosses, who usually want to pay less if possible, so that they can get more. This is since monthly or yearly profits are usually fixed in most businesses. It is generally understood and known that office workers are beneficiaries of increased profits. However, cleaners are usually excluded from financial rewards of profit increase since cleaners often belong to cleaning firms, not the firm the cleaners actually work for.

Therefore, minimum wages to guarantee at least a basic living condition are necessary. Even though minimum wage might “not reduce poverty” (Gitterman, 2012:48), “minimum wage has a considerable positive effect on the earnings of individuals at the lower end of the wage distribution” (Konig & Moller, 2009:718).

Gitterman argues (2012:48) “It should be noted that the intent of the minimum wage is to redistribute earnings to low-paid workers. But that comes with the risk of unemployment”. However, “higher unemployment by minimum wage” occurs only if payment decision makers (e.g. chief executive officers) are only interested in their own salary increase and only if these people are not willing to share organizational profits with minimum wage workers. Simple logic tells us that “higher unemployment by minimum wage” can be prevented if regular full time employees are willing to share increased profits also with minimum wage workers in order to guarantee minimum wages and basic living conditions.
“Higher unemployment by minimum wage” can be caused if office workers hardly pay any attention to the working conditions of lower wage workers working in the 3-D (dirty, dangerous, and difficult) duties such as cleaning, construction, dump-truck driving, etc. One may ask if driving a dump truck from 5 pm to 5 am is really less valuable or less difficult than researching from 9 am to 6 pm?

If payment decision makers value dirty, difficult, and/or dangerous work and are willing to also reward 3-D job workers when an organization gains increased profits, “higher unemployment by minimum wage” would not occur, even though the minimum wage is increased to guarantee “moderate standard of living” (Lin and Bernstein, 2008:para9) and “a living wage”, which “[t]he city of Baltimore passed . . . [to require] employers with city contracts to pay workers about $2 per hour more than federal minimum wage” (Rossi & Curtis, 2013: 121). Such initiatives require consideration.

Equity Issues

There have been equity issues in various areas, e.g. wage gap between African–Americans and Whites (Sigal & Tienda, 2005: 1202), and of course the constant “racial/ethnic inequality” (Madoff & Foster, 2014: 13). However, inequality for cleaners has not been discussed frequently enough, even though they have been under an extremely unequal situation for many years as these people usually belong to “temp agencies . . . [which] insulate companies from workers’ compensation claims, unemployment taxes, union drives . . .” (Magdoff & Foster, 2014:14). According to Campbell and Peeters, “Contract cleaners are a significant group of low-paid workers in Australia” (2008:27).

It is assumed that the greatest income gap exists between cleaners and “the wealthiest [who] are receiving an increasing share of the pie . . . while the share of income going to most workers is declining in the stagnating economy” (Magdoff & Foster, 2014:19). It is also assumed that a huge payment gap exists between cleaners and CEOs. For example, “Ron Johnson, the disgraced outgoing CEO of JC Penney, made an astonishing 1,795-times the average wage and benefits of his department store workers” (Thompson, 2013:para1).

The unequal treatment of cleaners is not restricted only to their wage payment issue. Other issues to consider include “…irregular hours . . . compressed work schedule and high work intensity” . . . [cleaner Patriia expressed], “I was used . . . up to twelve hours a day going from one job to another . . . till I nearly fall” (Campbell & Peeters, 2008:27-28,33). The issues related to cleaners also include “strained social relations and communication in addition to a lack of social recognition and invisibility” (Hviid et al., 2012: 85). Cleaners expressed (Hviid et al., 2012:102):

The teachers walk right past us, but they never say . . . anything . . . the pupils . . . sometimes . . . tease . . . do not think that cleaning is very important (p. 97) . . . the cleaners have always been sort of isolated from the rest of the school staff . . . the biggest problem is that the teachers do not take the lead (p. 98) . . . nobody from the school had participated in the staff meetings with the cleaners.
Methodology

A focus group is a common qualitative research technique and generally consists of a number of participants, usually around 8 to 12. The participants are brought together and led through discussions of important topics by a moderator. The focus group is normally more useful when the researcher is looking for more open feedback, as it allows the participants to express clear ideas and share feelings that do not typically come out in quantified surveys. As a result of the candid discussions among group members, the discussions become far more free-flowing and members could also use comments from the others to stimulate needed recall. For this study starting in April 2014, a focus group, composed of 15 international students studying human resource management in the Republic of Korea, was formed to investigate perceptions on cleaners’ work and monthly wage. These students were chosen as their views can affect the decision making process of cleaners’ wage when they will be working in the human resource department in the near future. Also, as the world is connected closely, sharing wage information, a minimum wage of a country frequently affects that of other countries as well, especially in a similar geographic region. After each person’s view presentation, fifteen focus group participants were divided into three teams of five members. In-depth discussions with each team member was conducted and team discussion results were presented by each team. The team presentation was followed by all fifteen participants’ discussions with the moderator.

In May 2014, to examine other international visitors’ views on South Korean cleaners’ work and wage, a questionnaire survey was designed based on the focus group discussion results, and the survey was conducted. Each focus group participant distributed and collected 10 questionnaires by means of snowball sampling. Given the nature of snowball sampling, it is not considered to be a representative sample for statistical purposes, but it is a very respectable technique for conducting exploratory research and/or qualitative research with an explicit and relatively small population that is often difficult to identify or find. The questionnaire questions included profile questions, questions on wage, work stress, and work responsibility.

Working conditions including work hours and payment can be regarded as a social members’ agreement. Based on the literature review, cleaners’ working conditions seem to require improvement. There can be various ways for needed changes to be implemented. For example, cleaners can simply request a wage increase. However, this has rarely happened so far, mainly because cleaners’ wage increase requests by themselves can put their work status in danger as they are usually under a short-term contract and thus their request can lead to an even more devastating termination of their contract. Cleaners’ labor union activities are minimal to say the least and have not been activated in South Korea. Therefore, it seems to be essential for a third party to play a role in improving low salaries or wages of cleaners.

Data Analysis

Focus Group

The fifteen focus group participants in this study were international students in their 20s. One was from Africa, one from South America, two from Asia, and the others were from Europe.
Before the focus group discussion was conducted, only one participant from Africa thought that a cleaners’ monthly wage of about one million won is not enough in the Republic of Korea. After each team’s in-depth discussions and all focus group participants’ views were exchanged, it was ascertained that thirteen focus group participants thought “The cleaners’ wage of about one million won per month is low” and presented dissatisfaction with a big wage gap between cleaners and CEOs. Only two stuck to their original views with the reasons: A cleaners’ work does not require any special skill, while a CEO’s work is much more stressful and demanding, and takes far more responsibility than that of cleaners”. As shown in the Perception Change Process, 12 participants’ views were changed through the individual opinion presentation, team discussions, team presentation, and focus group discussions, indicating that one’s views can be affected and changed by others’ views (See Figure 1).

**Figure 1. Perception Change Process**

1. **Cleaners’ monthly wage of about one million won in the Republic of Korea?**
   - Fair (14 participants)
   - Unfair (1)

2. **Presentation of Fair vs. Unfair Opinions**

3. **Team Discussion**
   - 5 participants
   - 5 participants
   - 5 participants

4. **Presentation of Each Team Views**

5. **Focus Group Discussion of 15 participants**
   - Fair (2)
   - Unfair (13)

**Questionnaire Survey**

The survey questionnaire result was analyzed by using the SPSS (Statistical Package for the Social Sciences).
Participants

The participants were composed of 58 females and 92 males, 115 respondents were single, and 35 were married. Nine participants were in the 10s, 90 were in 20s, 20 were in the 30s, 20 were in the 40s, 7 were in the 50s, and 4 were in the 60s. Ninety one respondents had income below one million, 27 had income between 1 and 2 million, 8 had income between 2 and 2 million, 12 had income between 3 and 4 million, and 12 had income between 4 and 5 million won. Ten respondents were elementary school degree holders, 5 had a middle school degree, 17 graduated from a high school, 81 were university students, 37 were graduated from a university. Sixty-three people were from Asia, 31 from Europe, 21 from America, 23 from Africa, 12 were from other areas. In summary, majority of survey participants were male, single, 20s, low income earners (below one million), students from Asia, Europe or America (See Table 1).

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<td>Cleaners’ monthly salary about one million won is to low.</td>
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<td>CEOs’ monthly salary about ten million won is too high.</td>
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<td>CEOs’ monthly salary about hundred million won is too high.</td>
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As shown in Table 1, the survey results present that 45.3% of the respondents think cleaners’ work is stressful but only 34% think cleaners’ work takes responsibility; while 56.6% of the respondents think CEOs’ work is stressful and 61.15 % think CEOs’ work takes responsibility. Regarding salary, 38.7% think cleaners’ salary of about one million won is considered to be too low while 41.3% think CEOs’ salary about ten million won is not too high, and 36.7% think CEOs’ salary about hundred million won is too high.

**Independent T Test Results**

The results present that no serious view differences exist between males and females on cleaners’ work stress ($p = .575$, mean 3.41 vs. 3.33), work responsibility ($p = .594$, mean 3.17 vs. 3.27) and low wage ($p = .411$, mean 3.33 vs. 3.49).

No serious view differences also exist between singles and the married on cleaners’ work stress ($p = .906$, mean 3.37 vs. 3.34), responsibility ($p = .977$, 3.23 vs. 3.23), low wage ($p = .841$, mean 3.42 vs. 3.46).

No serious view differences exist between males and females on CEOs’ work stress ($p = .698$, mean 3.66 vs. 3.58), work responsibility ($p = .141$, mean 3.88 vs. 3.61), salary of ten million won ($p = .851$, mean 3.74 vs. 3.71), salary of a hundred million won ($p = .218$, mean 3.10 vs. 3.34).
No serious view differences also exist between males and females on CEOs' work stress ($p = .723$, mean 3.63 vs. 3.54), work responsibility($p = .742$, mean 3.73 vs. 3.66), salary of ten million won ($p = .972$, mean 3.72 vs. 3.71), salary of a hundred million won ($p = .124$, mean 3.31 vs. 3.03).

One Way ANOVA with Tukey HSD Results

Age Groups

The differences exist only between participants in their 10s and 50s ($p = .043 < 0.05$) on cleaners' work stress (mean 2.89 vs 3.86), and low wage (mean 2.44 vs. 4.14).

Education Level

The differences exist between high school degree holders and university students($p = .046 < 0.05$) on cleaners' work stress (mean 3.12 vs 3.44), work responsibility (mean 2.59 vs 3.43), and low wage (mean 3.12 vs. 3.51).

The differences also exist between middle school graduates and university graduates ($p = .022 < 0.05$) on CEOs’ work stress (mean 2.20 vs. 4.25), work responsibility (mean 2.40 vs. 4.25), and salary of a hundred million won (mean 3.20 vs. 3.63).

In summary, no view differences exist between females and males, while differences exist between the 10s and 50s, and between high school degree holders and university students.

The Opinions of the Survey Participants

The survey participants’ opinions on the salary of cleaners and CEOs are as follows:

Cleaners cannot be paid enough as their work is very simple, does not require knowledge, can be replaced easily, while a CEOs’ high salary can be justified as their work is too stressful and takes responsibility. CEOs’ decision affects all employees. CEO's efforts to improve skills and knowledge should be rewarded. Clean environment is important for everybody. Cleaners' work is hard with about 12-hour work schedule, is stressful dealing with dirty things, and takes responsibility like CEOs'. About 10 times wage gap between CEOs and cleaners is not fair. Low payment can cause crimes.

Discussions and Conclusions

The survey results suggest that more participants think that a CEO's work is more stressful and takes more responsibility than cleaners'. About 40% of the respondents think that cleaner's salary of one million won is too low, while a CEOs' salary about ten million won is not too high, but a CEOs' salary of about a hundred million won is too high.
This result indicates that survey participants view certain positions (e.g. CEO) as requiring more responsibility and these can be paid more than other positions requiring less responsibility. However, the gap could not be so severe. It is ascertained by this study that ten times a salary gap between CEOs and lowest paying positions can be accepted, but not 100 times a salary gap. Skyrocketing CEOs’ salaries can lead to excessive and other disgusting consumption which cannot be considered ethical as there are too many who are struggling only to survive daily due to low wages and no work availability.

The wage gap of 1,795-times mentioned by Thompson (2013) needs to be prevented unless legitimate explanation or supporting evidence exists for such an absurd gap. A maximum wage known as a wage ceiling, “a legal limit on how much income an individual can earn” (Wikipedia, 2018h: para1) can be an idea to guarantee a minimum wage.

Regarding the cleaners’ wages, the worldwide fact is that cleaners’ wages are one of lowest salaries and cleaning is one of the most unfavorable jobs. Possible reasons are 1) Cleaners are not included in a salary decision making process, and 2) Cleaning is not regarded as respectful employ when compared to some other jobs such as lawyers, doctors, professors, company workers, etc. These reasons are possibly caused by people in decision making positions or in power spreading certain negative notions about certain jobs, or by people who think their work is more stressful and more important than that of cleaners’ and thus they should be paid more than cleaners. Such thoughts have been greatly contributing to serious wage gaps between the haves and the employees who struggle to make ends meet.

The focus group discussion presents that one’s perception can be changed by sharing different viewpoints. This indicates that the survey participants’ views on cleaners can possibly be changed to open the way to lead to better working conditions for low wage workers. It is certain that living without computer games or smart phones can be inconvenient, but living or traveling in dirty places can be a horrible experience which limits destination sustainability. The author recommends further research on the views of people of other nations relating to cleaners’ wages and treatment in the workplace in general.

References


