Achieving Equal Pay in the Workplace

Your Guide to Changing Policy and Practice

Why Should You Ask Your Employer These Questions?

Why does it matter if managers have discretion over pay decisions?

The greater the level of discretion over bonuses, merit pay or point within a pay spine, the more likely it is that women's work will be undervalued and that stereotyping will come into play, leading to a greater pay gap. The financial services sector has one of the highest pay gaps and a widely acknowledged discriminatory culture. The median pay gap is 37 per cent in financial services and insurance, and the bonus gap is 52 per cent. Research *(http://sro.sussex.ac.uk/id/eprint/81021/)* on financial services shows that the pay gap is greater the higher the pay and that, post-recession, longer working hours and ethnicity contributed to the pay gap, but that collective bargaining led to a lower pay gap.

> If you work in an organisation with more than 250 employees, do check the pay gaps, including the bonus gap, which your employer is required to report.

Why investigate intersectional pay?

Intersectional pay may relate to one or more protected characteristics *(www.equalityhumanrights.com/en/equality-act/protected-characteristics)* (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and it is an important feature in pay audits. Research *(https://onlinelibrary.wiley.com/doi/10.1111/1468-4446.12341)* on women's representation by ethnicity reveals that ethnicity is a more potent source of inequality than gender. Moreover, research *(https://onlinelibrary.wiley.com/doi/full/10.1111/1467-8551.12032)* indicates that employees with more than one protected characteristic experience multiple disadvantages.

Is equal pay a one-off struggle?

No, there is a need for constant vigilance as company policies and practices can and do change *(https://doi.org/10.1093/cje/beu053)* . Annual pay audits are necessary to see if pay gaps have narrowed or widened. We are living through changing times in the post-Brexit era and while labour shortages offer opportunities to renegotiate pay, they also offer the potential for gender pay discrimination as 'market forces' may favour one sex.

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Is women's work really undervalued?

There are multiple studies *(www.njl.nu/uploads/Paper_2007_Jill_Rubery.pdf)* showing that women's work is undervalued compared to men's. This is why it is so important to check if men and women receive equal pay for equal work, or if women's work is less valued than men doing similar work of equal value to the organisation.

Will collective bargaining make a difference?

Yes, research *(http://sro.sussex.ac.uk/id/eprint/81021/)* shows that collective bargaining is a fairer method of pay determination and leads to lower gender pay gaps.

Why do you need to know if women are under- or over-represented in an organisation/department/level of seniority?

The proportion of women may be a marker of unequal pay. The higher the proportion of women, the more likely that pay is relatively low; and the higher the proportion of men, the more likely that pay is higher. Even where women take senior roles, they are likely to earn less than their male counterparts, which widens the pay gap.

> If you work for an organisation with more than 250 employees, you can check this yourself by examining the pay gap report. The report groups earnings into 'quartiles' so you can see which group of earners has the highest or lowest pay gap. Don't be misled if the pay gap is smallest in the lowest quartile where earnings are lowest. It tends to be the case that women occupy the majority of jobs in the lowest quartile.