STEWARTS

Equal pay in the workplace today: Assessing women's legal rights and workplace pay disputes

Report by Stewarts, the UK's leading litigation-only law firm

November 2023



Introduction

Based on a survey of 2,000 women, this report seeks to better understand the perceptions of equal pay in the workplace and potential barriers to taking action, while empowering women to consider addressing these disparities.

The research findings uncover a striking trend: as women advance in their careers and move into a higher salary bracket, their perceptions of workplace gender inequality intensifies, revealing a stark gender disparity in senior roles. A quarter of the survey's respondents earn over £75,000.

The data shows that while a notable number of women would consider legal action against their employer regarding unfair treatment in the workplace because of their gender, obstacles include a lack of confidence and a limited knowledge about the legal process.

Businesses are increasingly recognising the importance of cultivating diverse and inclusive workforces within their boardrooms to drive sustainable change and enhance performance. As this becomes a more prominent consideration, especially in light of the mounting pressure on ESG (environmental, social and governance) reporting, questions around the legalities of equal pay will continue to rise.

Although equal pay law may appear daunting, its fundamental premise is straightforward equal pay for equal work. Implementing this principle is relatively uncomplicated at junior organisational levels, where employers can establish and enforce transparent pay policies. In many cases things become murkier and more opaque at the senior levels, where existing pay gaps are larger and longer established.

Among the respondents surveyed, gender pay gap reporting emerged as a prominent concern and an influential factor on women's job choices. This alone should put pressure on employers to ensure they have the right policies in place when it comes to equal pay.

At Stewarts, we have particular expertise in advising individuals who consider they have not been paid equally to their counterparts in the same or similar roles. These research findings indicate the concerns that many women have in raising complaints - and the importance of dealing with such cases both sensitively and robustly.



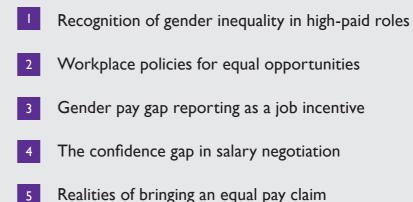
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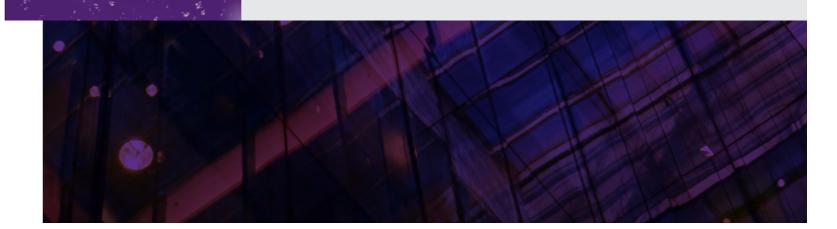
This report will focus on the following points:

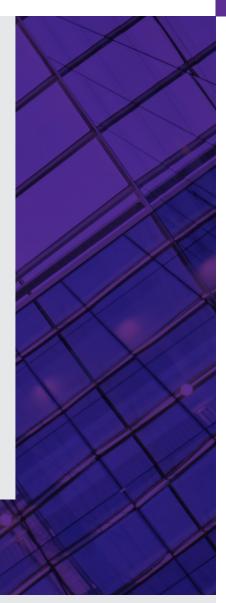






The research for this report was conducted by Censuswide, among a sample of 2,008 employed women in the UK aged 16+ (minimum 500 respondents who earn £75,000+). The data was collected between 10/10/2023 and 16/10/2023. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct which is based on the ESOMAR principles.



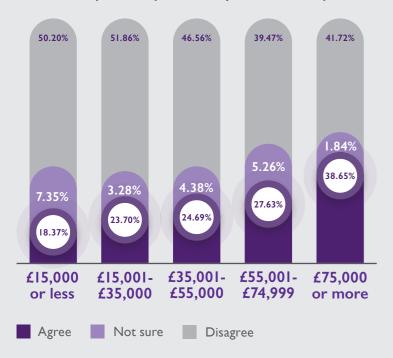


Recognition of gender inequality in high-paid roles

Remuneration is a critical issue in the workplace. Our research found that only half (52.2%) of our respondents told us they felt equally compensated compared to their male colleagues in the same role.

Perceptions around pay equality vary by income level. Women who earn the most believe they are paid more unequally: for those earning between £65,000 and £75,000, only 36.7% believe they are paid on par with their male counterparts. As a whole, those individuals earning over £55,000 believe they are paid less than their male colleagues, in contrast to those earning between £15,000 and £55,000.

I feel under-paid compared to my male counterparts





Gender imbalance in workplace representation

Looking beyond remuneration, the data reveals that under half (47.1%) of respondents believe there is an equal mix of men and women employed at their level, another trend which intensifies as we climb the career ladder. Almost half (46.4%) of women earning between £65,000 and £75,000 and over a third (38.9%) of those earning over £75,000 perceive an imbalance in gender representation at their level, stating there are more men than women. In contrast, only 14.3% of those earning £15,000 or less reported the same issue.

These findings underscore a growing gender inequality gap as pay rates increase, indicating a need for targeted efforts to end the disparities and to promote greater workplace diversity and equity.

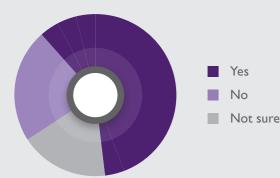


Workplace policies for equal opportunities

Our survey results reveal that 64.1% of women do believe there are equal opportunities for both genders within their organisations. However, those earning £55,000 or more were most likely to disagree with this viewpoint.

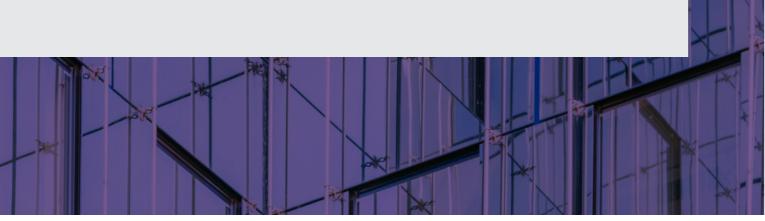
Around a fifth (21.0%) of total respondents felt that they were not offered the same opportunities as their male colleagues at work, while an average of 15.0% expressed uncertainty regarding the presence of equal opportunities.

Do you feel that women get equal opportunities in the workplace?



Of those who asserted that women had equal opportunities to men in their workplace:

- over half (55.2%) attributed this to the presence of flexible working policies
- over two fifths (46.6%) credited transparency regarding pay raises and bonuses, and
- just over a third (35.9%) said it was a result of a robust career review system







Importance of clarity of policies

Looking at workplace transparency around promotion, pay, and rewards, the survey indicated that over half (55.8%) of respondents felt their companies were open about their internal processes and policies. About a third (34.8%) of individuals in the 25-34 age group felt that policies in their organisations lacked clarity, the highest of all age groups.

Among the highest earners surveyed (those earning over £75,000), 60.9% believed that policies were clear, as opposed to only 40% of those earning between £65,000 and £75,000. It is interesting to note that 30.2% of respondents who had worked at their company for more than five years found policies to be unclear, whereas only a quarter (25.3%) of those with less than a year of tenure in their workplace felt the same, suggesting that at many businesses, policies are better communicated to new joiners (perhaps during the recruitment process) than longstanding employees.

Gender pay gap reporting as a job incentive

The survey results highlighted that women perceive gender pay gap reporting as a crucial prerequisite for businesses and a key consideration when seeking employment. 60.2% of respondents would take the employer's gender pay gap into account when applying for a job. This was particularly pronounced among those aged 35-44, with 66.2% of them indicating they would consider an employer's gender pay gap. In contrast, only 40.6% of respondents aged over 55 shared this perspective.

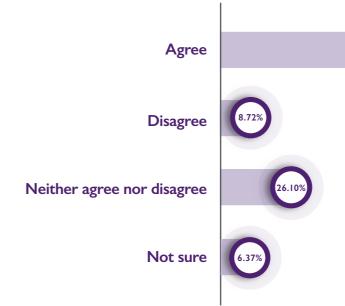
I would consider the gender pay gap when job hunting



Three-quarters (75.1%) of respondents were in favour of mandatory gender pay gap reporting. This was particularly true for those aged between 25-34 years and 35-44 years who displayed the strongest support for mandatory gender pay gap reporting at 76.5% and 77.9% respectively.

Those earning £15,000 or less were the least likely to consider an employer's gender pay gap, with only 46.6% factoring it into their job search. Conversely,

I would prefer to work at a company that discloses gender pay gap reporting than one that does not





those at the higher end of the wage bracket think differently, with those earning between £55,001 and £65,000 expressing the most concern about the gender pay gap (70.6%), closely followed by those earning £75,000 or more (67.7%). Full-time workers (63.5%) were also more likely to take an employer's gender pay gap into consideration compared to part-time workers (52.8%).



The confidence gap in salary negotiation

The decided lack of confidence among respondents on negotiating salaries suggests this remains a major obstacle to securing equal pay. Nearly two-thirds of respondents (59.8%) disclosed that they had never attempted to negotiate their salary and remuneration.

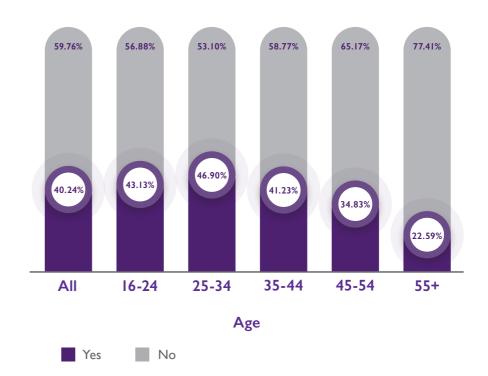
Have you ever tried to negotiate salary and remuneration?







Have you ever tried to negotiate salary and renumeration?



The data shows that those on higher salaries were generally more inclined to engage in negotiation. In contrast, only 21.6% of those earning under £15,000 said they would do so.

The survey also highlighted variations by age. It is striking that despite confidence in initiating these conversations rising up the wage ladder, individuals aged over 55 were the least likely to initiate negotiations, with only 22.6% having done so, in contrast to 46.9% of those aged 25-34. This implies that younger, higher-paid female professionals are the most likely group to negotiate with their employer on remuneration.

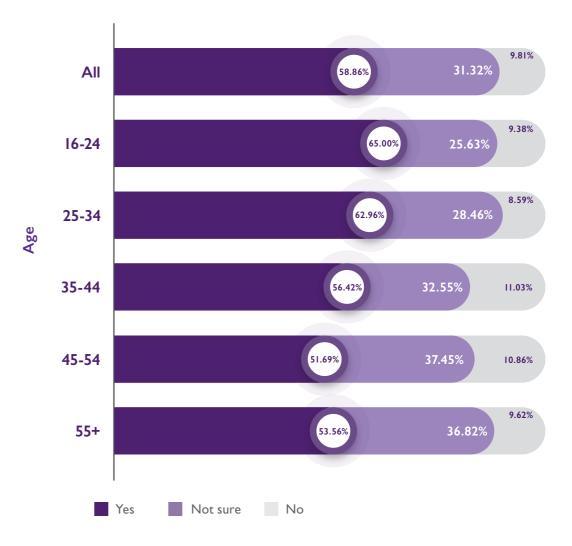


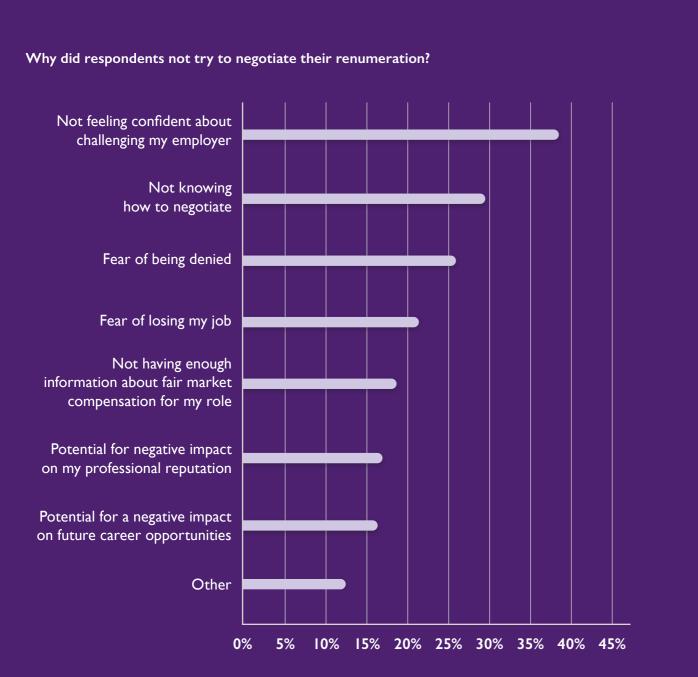
Part-time workers were less likely to negotiate pay (29.0%) compared to their full-time counterparts (45.5%). Those who had worked within the same company for four to five years were the most likely to instigate pay negotiations, with 46.7% having engaged in these discussions, while only 37.0% of employees who had been in their job for less than a year had done so.

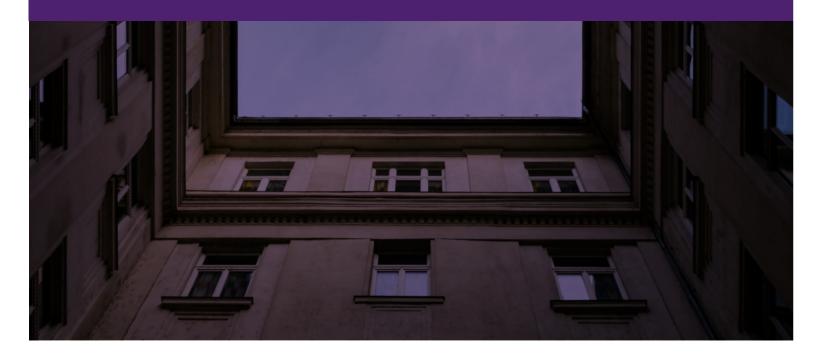
The primary factor for not negotiating salary and remuneration was a lack of confidence in challenging the employer, cited by over a third of respondents (38.3%).

A proportion of respondents believed that initiating negotiations could negatively impact their professional reputation (16.7%) or felt they lacked information about fair market compensation for their respective roles (18.0%).

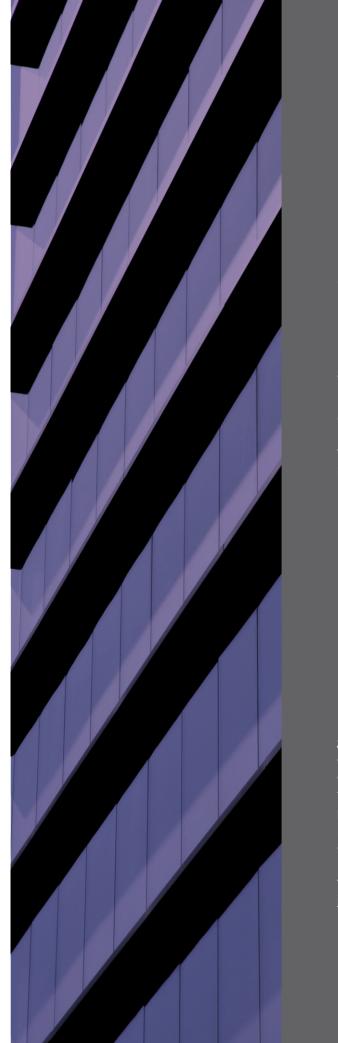
Would you feel comfortable discussing salary and remuneration with co-workers?







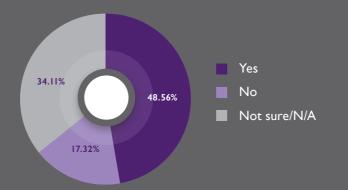
In a further indicator of changing attitudes, younger women were more likely to feel comfortable discussing their pay with co-workers than older survey respondents.



Realities of bringing an equal pay claim

Our findings make it clear that a significant proportion of women would be open to raising complaints with their employers regarding equal pay – however, there is a lack of knowledge or awareness around how to do this, which discourages many employees from taking legal action.

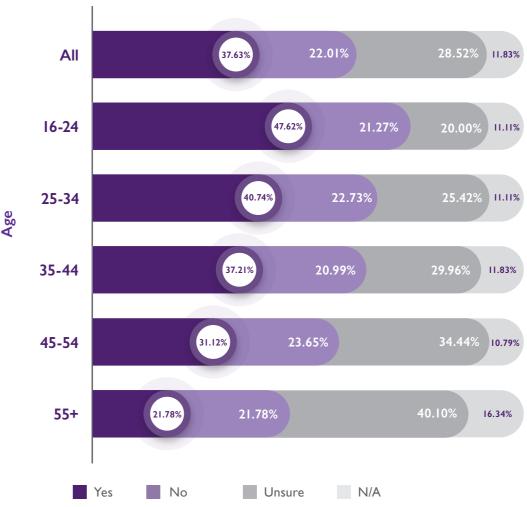
Would you raise a complaint with your employer if you do not receive equal pay for equal work?



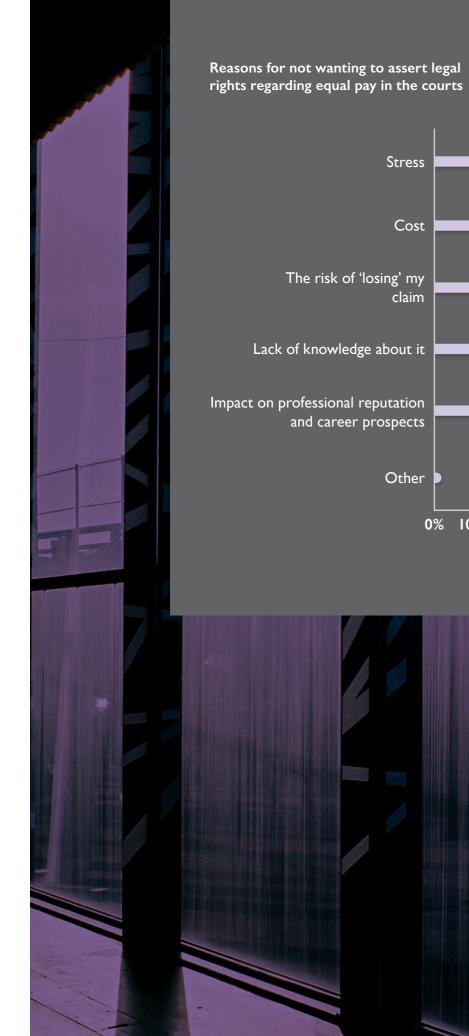
In line with the rest of our findings, we found the younger generations and those earning higher salaries were more open to challenging unequal pay. Where almost half (48.6%) of total respondents were willing to raise a complaint with their employer, this increased among younger age groups, particularly those aged 16-24 (51.4%) and those aged 25-34 (51.0%). Those with higher incomes, specifically those earning over £75,000, were the most likely to consider raising a complaint with their employer over unequal pay, with 58.5% expressing their willingness, in contrast to just 37.1% of those earning between £45,000 and £55,000.

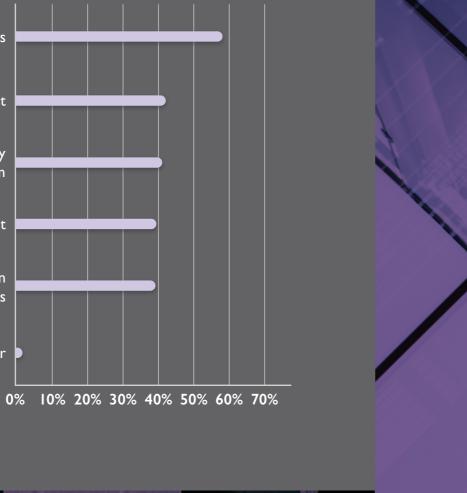
Over a third (37.6%) of respondents said they would consider taking their employer to an employment tribunal or court if they discovered they were paid less than their male counterparts. Our survey found that younger individuals were again more willing to consider action, with 47.6% of 16-24-year-olds expressing a willingness to explore this avenue, while only 21.8% of respondents over the age of 55 felt similarly inclined.

Would you consider asserting your legal rights regarding equal pay in the courts?

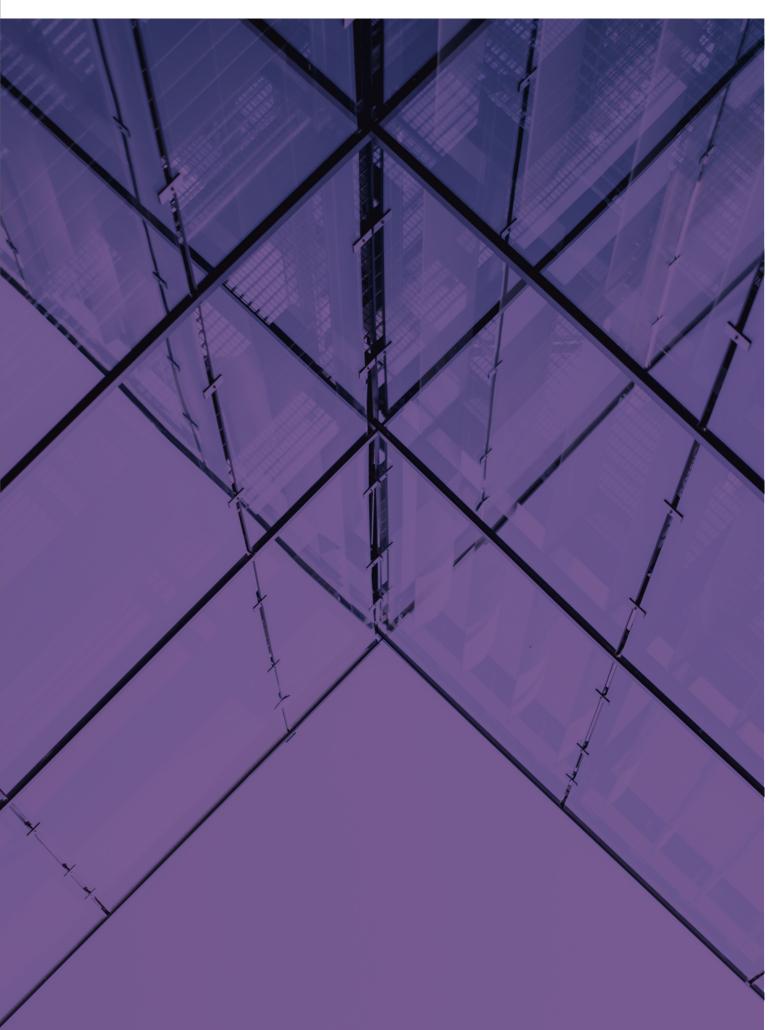


Interestingly, those that had taken a period of extended leave (42.7%) at their workplace were more likely to consider asserting their rights in the Employment Tribunal or courts compared to those that hadn't (33.3%).

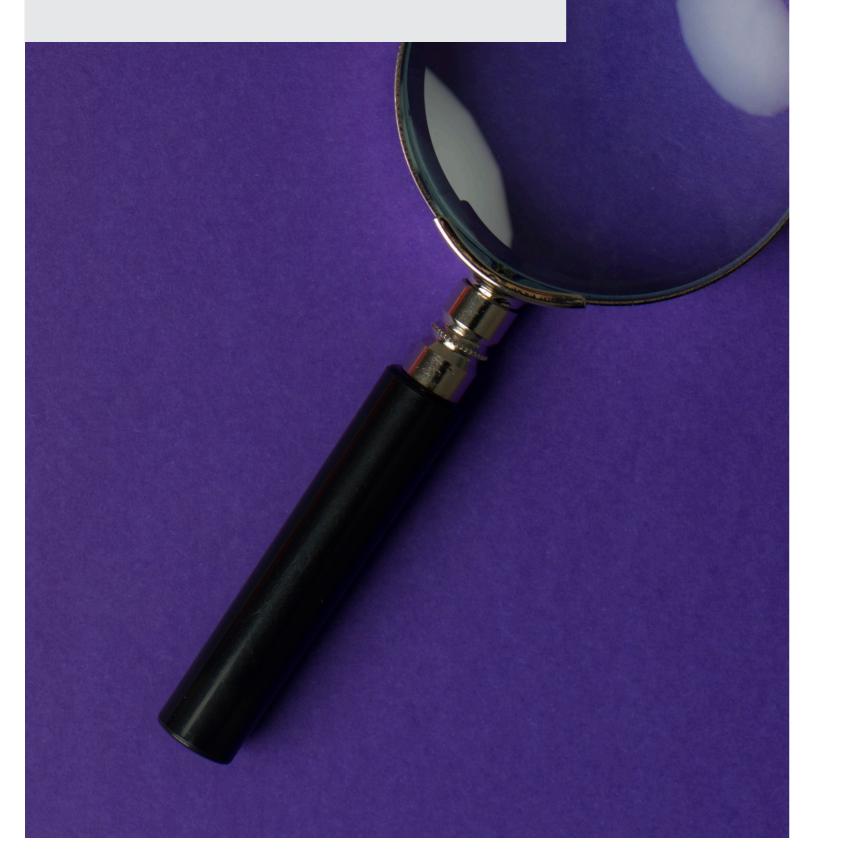








What the lawyers say



An employee can bring a claim against their employer if they are not paid equally for doing equal work to a colleague.

Not only are women protected against discrimination at work, anyone who does a "protected act" under the Equality Act 2010 has further protection against victimisation.

It is sometimes easy to forget that employers do not want to be involved in discrimination disputes like these. The employee therefore is often in a stronger position than they may think.

The standard legal route for bringing a claim is through the Employment Tribunal, but raising a concern does not usually commit you to fighting a claim all the way to the tribunal and beyond. It is often possible to resolve issues confidentially to everyone's satisfaction.

Whilst it may seem that any dispute with an employer is David v Goliath, there are some ways to address the imbalance. They include:

- Begin with the end in mind identify at the outset what you want to achieve.
- Think about what the employer's story will be – so often discrimination disputes are a tale of two narratives – the employee's and the employer's. It is useful to think about what the employer's "official" narrative is, and how you might be able to subvert it.

- Evidence. These cases typically turn on evidence – think about what exists (whether on email, instant message or in documents) that can support your complaint.
- Use your resources wisely because employers invariably have greater resources than a single employee, they may try to play "a long game" until you run out of resolve or budget. Therefore, it is helpful to be prepared for this, and not to remain focussed on the central issues in your complaint.
- Think about your allies more often than not, it is one employee versus a larger organisation. However, your colleagues may have experienced similar issues. This can be especially true in relation to unequal pay and inappropriate conduct by male colleagues – if one employee is experiencing this, then chances are someone else is too. There is strength in numbers – if there can be multiple complainants, then not only can it strengthen a case, it can also make an adversarial process easier to endure and pooling resources can make legal budgets go further.

About Stewarts

Stewarts is the UK's largest litigation-only law firm with more than 375 staff, including 81 partners. It acts for corporate and individual clients in high value and complex disputes.

Our Employment team

We are a leading employment law team, ranked by the Legal 500. We have an outstanding reputation in the financial, legal and professional services sectors.

Our lawyers are recognised for their "excellent knowledge of how the City works" and their cutting-edge work for senior executives, directors, partners, companies and partnerships.

We have particular expertise advising on individual and team moves, whistleblowing, and discrimination claims, investigations and disciplinary/conduct issues.

Our advice goes beyond legal analysis to address the wider practical, commercial and strategic issues, ensuring our clients achieve the best possible outcome.

Legal contacts



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"Joe is incredibly professional and great in all areas. It is not just his knowledge of the law and experience that stands out, but also his ability to connect with the client and fully understand a situation including its background and sensitivities." – Senior Executive Client.



Charlie Thompson, Partner, Employment

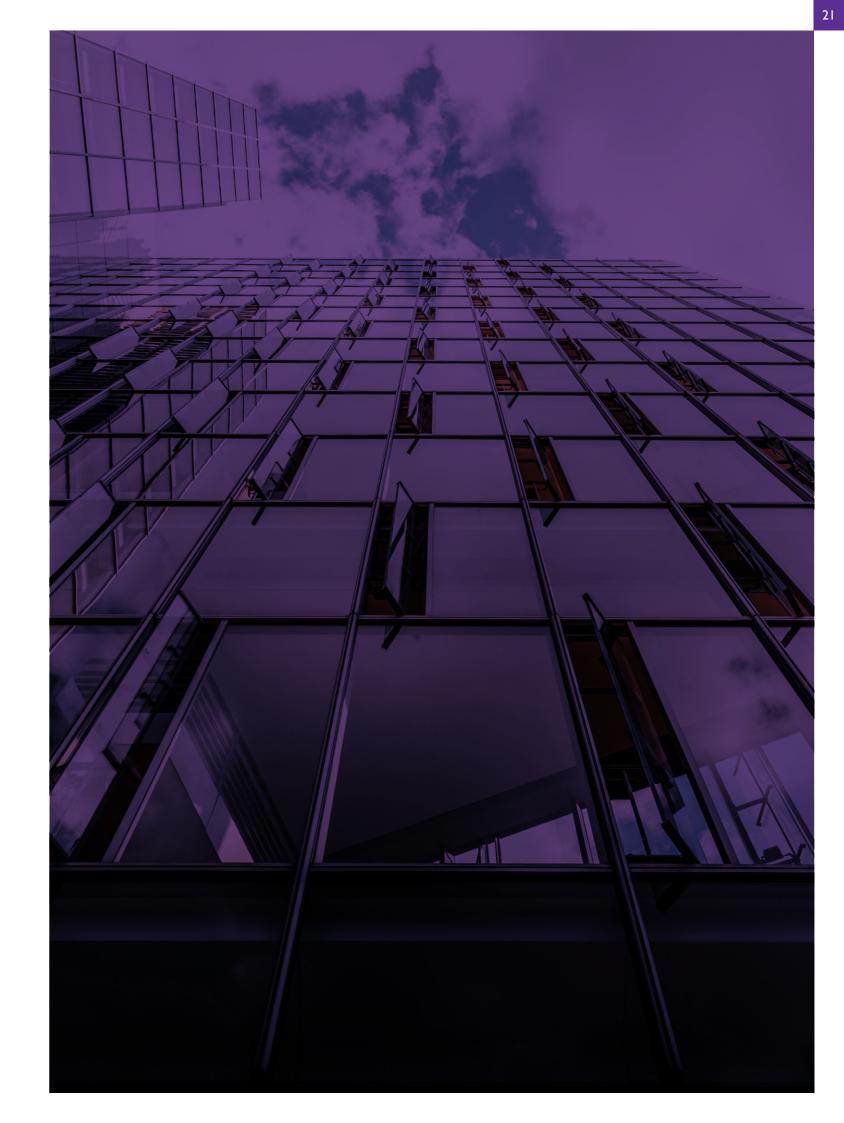
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"Charlie is brilliant to have on your side. He is responsive, easy to relate to, commercially astute, a great negotiator and financially sensitive." – Senior Executive Client.

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