

Commission calls on businesses to close the gap

27 May 2010

On the 40th anniversary of the Equal Pay Act, the Equality and Human Rights Commission has called on organisations to do more to close the pay gap between male and female employees.

When the Equal Pay Act was introduced in 1970, it was heralded as a major advance for women in the workforce. However, despite advances over the past 40 years, in some areas the pay gap between men and women remains, with women working full time still being paid on average 16.4 per cent less than men*.

In some sectors, the pay gap is significantly higher. The Commission's recent inquiry into the finance sector found that women working full-time earn up to 55 per cent less annual average gross salary than their male colleagues. It also revealed that men in some of the sector's biggest employers receive five times the performance pay of women.

The Commission's research found a number of causes of the persistent gap. These include stereotyping about women's capabilities and skills, women bearing the brunt of caring responsibilities, and discrimination in pay systems.

For businesses which do link equal work to equal pay, the rewards are well documented and include a boost in workplace productivity and a good business reputation. It has also been estimated by the Women and Work Commission that improving women's participation in the labour force is worth between £15 billion and £23 billion to the British economy each year.

The Commission believes that employers should take it upon themselves to do what they can to bring pay equality to their workforce.

Commissioner Jean Irvine said:

“Employers need pay systems that are both transparent and fair. While transparency is not enough of itself to reduce the gap it does provide clarity; it is difficult, if not impossible, to resolve a problem that cannot be seen.

“Most employers should be able to measure their own pay gap, particularly those with combined payroll and human resource systems. They should also be able to take steps to resolve it including offering flexible parental leave.

“The Commission will shortly be issuing guidance to help businesses measure and address pay gaps. However, we have made it clear that when the voluntary approach fails, we will use our enforcement powers to address any persistent and significant problems.”

Ends

For more press information contact the Commission's media office on 020 3117 0255, out of hours 07767 272 818.

For general enquiries please contact the Commission's national helpline: England 0845 604 6610, Scotland 0845 604 5510 or Wales 0845 604 8810.

Notes to Editors

Pay gap statistics

In 1970, the gender pay gap stood at about 35 per cent.

In 2009:

- the full-time, mean gender pay gap was 16.4 per cent.
- the median gender pay gap for all employees was 22 per cent.
- using the mean, the gender pay gap for all employees was 20.2 per cent.

The Equality and Human Rights Commission

The Commission is a statutory body established under the Equality Act 2006, which took over the responsibilities of Commission for Racial Equality, Disability Rights Commission and Equal Opportunities Commission. It is the independent advocate for equality and human rights in Britain. It aims to reduce inequality, eliminate discrimination, strengthen good relations between people, and promote and protect human rights. The Commission enforces equality legislation on age, disability, gender, race, religion or belief, sexual orientation or transgender status, and encourages compliance with the Human Rights Act. It also gives advice and guidance to businesses, the voluntary and public sectors, and to individuals.