



Why Bother About Equal Pay?

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The recent high profile case where 170 women have been given the right to take an equal pay case against Birmingham City Council brings equal pay firmly in the spotlight. The workers, mainly women who worked in traditionally-female roles, such as cooks, cleaners and care staff won the right to seek compensation in the civil courts for missed bonuses. The women were among workers who had been denied bonuses which had been given to staff in traditionally male-dominated jobs such as refuse collectors, street cleaners, road workers and grave diggers. For example, the annual salary of a female manual grade 2 worker was £11,127, while the equivalent male salary was £30,599. The men received a bonus of up to £15,000 per year.

Usually such claims have to be made within six months leaving a job in an employment tribunal, but the Supreme court has overruled that principle in this case. These employees now have six years to raise a claim with the potential for a £2 million payout. They are likely to win and cost Birmingham City Council many millions of pounds. This "landmark" judgement could have huge implications for potentially thousands of other workers including in the private sector.

This case is remarkable given the existence of over 40 years of equal pay legislation. In 1970 the Equal Pay Act was brought in following a fight by women sewing machinists employed by Ford to stitch the car seating who were paid much less than their male

equivalents who assembled the cars. Whilst the men and women did different jobs, the value of their jobs was deemed to have the same demands in terms of effort, skill and decision-making ie work of equal value. This and equal work underpins equal pay legislation. Equal work can be the same or broadly similar (known as like work) or different but equivalent (known as work rated as equivalent). However men on average are paid more than 10% more than women.

Organisations that want to pre-empt claims being laid at their door need to start thinking how to head off such claims. One way would be to undertake an equal pay audit. The EHRC provides a toolkit which is a guide for employers carrying out an equal pay audit. It is designed for businesses with over 50 employees. It helps carry out an equal pay audit related to gender, race, disability or working patterns. Equal pay audits are recommended in the Code of Practice on Equal Pay.

Another alternative would be to undertake a job evaluation process across an organisation to identify areas of weakness to review and correct. Job evaluation is the systematic evaluation of the worth of jobs in relation to other jobs in an organisation. An analytical job evaluation scheme provides a good defence in an equal pay claim whereas a non-analytical scheme such as job ranking or job comparison would not provide the same defence as it is based on subjective opinion. Therefore a factor comparison scheme such as NJC job evaluation or Hay would provide robust defence.