



Leveling the Paying Field

Understand Shifting Employee Attitudes on Gender Pay and Compensation



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Methodology

This survey was conducted by beqom in January 2023. The survey was designed to take a comprehensive look at how the changing workplace landscape has altered employee perceptions around pay gaps and pay transparency in the US and UK. A 23-question survey was directed to mobile users across the US and the UK via Pollfish. The results reflect answers from 1,000 respondents in each country (for a total of 2,000 respondents) who are currently employed.

Introduction

Despite fears of an economic recession, lingering effects of pandemic shutdowns, and global unrest, unemployment in the US and the UK remains at 50-year lows.¹ Increased competition for talent continues to result in large compensation packages for new hires, creating “pay compression” — and other employees often know the newcomer makes more than they do thanks to a new willingness for colleagues to talk openly about compensation.

In previous surveys, we have set out to understand the current workplace culture with respect to workforce diversity, recruitment, retention, and the efforts to remedy gender and other pay gaps. We focused our research in this report, surveying 2,000 employed adults — 1,000 in the US and 1,000 in the UK — to learn their perspectives and experience on:

- Pay gap awareness
- Trust in employers’ action to remedy pay gaps
- The role the government should play in holding employers accountable
- Transparency around pay

Our findings revealed an evolving environment in which companies are being held accountable for open communication about compensation by a workforce increasingly willing to share their salary information to make their organization’s pay more equal.

This report highlights the findings of our survey, what the results mean for employers, and the issues employers need to address to encourage transparency in compensation demanded by today’s workforce.



¹ UK unemployment rate 2022 | Statista; and United States Unemployment Rate — January 2023 Data – 1948–2022 Historical

Awareness of Pay Gaps Vary, but All Agree More Needs to Be Done

Awareness of the gender pay gap varies between US and UK employees, with more than two-thirds (68%) of US workers stating some level of awareness of the salary disparity between men and women, a sentiment shared by just 42% of their UK counterparts. Additionally, this year, we asked about other potential salary discrepancies. While the gender pay gap was the most prevalent, it was closely followed in the US by perceptions of pay differences based on an employee's age (52%) and race (46%). UK respondents shared a similar awareness of age-based discrepancies (50%), however, perceptions of a racial pay gap were less pervasive (36%).

"Half of US respondents said they think their employer has a gender pay gap problem, an increase of 121% since 2019."

Despite initiatives implemented by employers and governments in recent years, US and UK employees believe that more can be done by both parties to ensure equal pay. Roughly half (51%) of US respondents said they think their employer has a gender pay gap problem, an increase of 121% since 2019. But some remain skeptical of any improvement, with more than a third (35%) of US employees who said they believe the gap has increased in the past two years. In the UK, the number was slightly lower, with just less than a third (31%) believing the gender pay gap had increased during the past two years.

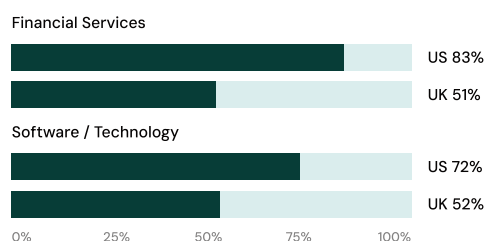
Generationally, Millennial workers in the US (76%) were the most aware of a gender pay gap, while Gen Z employees in the UK (46%) were the most aware of these discrepancies. US employees in the middle of their careers were the most likely to say the gender pay gap had gotten worse in the past two years, with just over one-third of Millennials (35%) and Gen X (34%) expressing that belief.

Financial Industry Workers Most Aware of Discrepancies

Financial services workers were the most likely (83%) to be aware of the gender pay gap in the US, with finance workers (51%) edged out slightly by those in the software/technology sector (52%) in the UK. Those working in financial services also were the most likely to believe that national laws would help close pay gaps (85% in the US, 83% in the UK).

Additionally, nearly half of US (48%) and UK (44%) employees in the financial service industry believe that the gender pay gap is real, with men outearning women in the industry despite equal experience, skill, and performance. These employees are also the most willing to publicly share their salary to benefit others' knowledge of industry compensation, with 72% of US financial services workers and 73% of those in the UK saying they would do so.

Industries Most Likely to be Aware of the Gender Pay Gap



Awareness of the Reality of the Gender Pay Gap is Low among US Employees

While nearly 7 in 10 US respondents (68%) were aware of the gender pay gap, far fewer (26%) knew the current size of the discrepancy. In 2022, women earned an average of 82 cents for every dollar earned by a man in the US², however, most respondents (61%) believed the gap to be even greater, including more than a quarter who believed it to be as low as 64 cents.

When asked whether there should be national legislation to address the gender pay gap, more than half (58%) of US respondents said there should be a law mandating companies to disclose their gender pay discrepancies, with 54% stating this type of legislation would help to close the gap. But when asked who should be responsible for driving change to close the gap in the workplace, US employees most frequently cited managers (31%) compared to just 14% who said it was the government's responsibility.

In the UK, despite a number of initiatives, including a requirement for larger employers to publicly report their gender pay gaps, more than half (54%) of workers surveyed said not enough has been done to address that country's discrepancies, with women (63%) more likely than men (45%) to believe this. Awareness remains a problem among UK workers. Only half (50%) of employees said they had been made aware of the UK's pay gap reporting laws and practices by their employer, with more men (58%) than women (43%) saying this. This lack of awareness is likely why more than half (57%) of employees said the UK government should introduce stronger legislation to close the gender pay gap. In fact, more than two-thirds (69%) think national pay transparency laws would help to close pay gaps, up 8% since 2019.

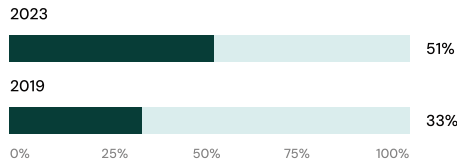


Employers Are Taking Little Action to Close Pay Gaps, Leaving Employees Skeptical

More than 2 in 5 (43%) US employees think the actions their employer is taking to mitigate pay gaps are effective. Still, nearly a fifth (18%) think they are not. Slightly more (22%) reported their employer is not taking any steps to close or prevent gender pay gaps. Men (45%) are more likely than women (40%) to think the actions their employer is taking are effective. For those who reported their employer is taking action, nearly one-third (30%) reported that their employer has placed more women in leadership roles.

² Gender Pay Gap Widens as Women Age (census.gov)

US Employees Who Believe Their Employer Takes Closing the Gender Pay Seriously



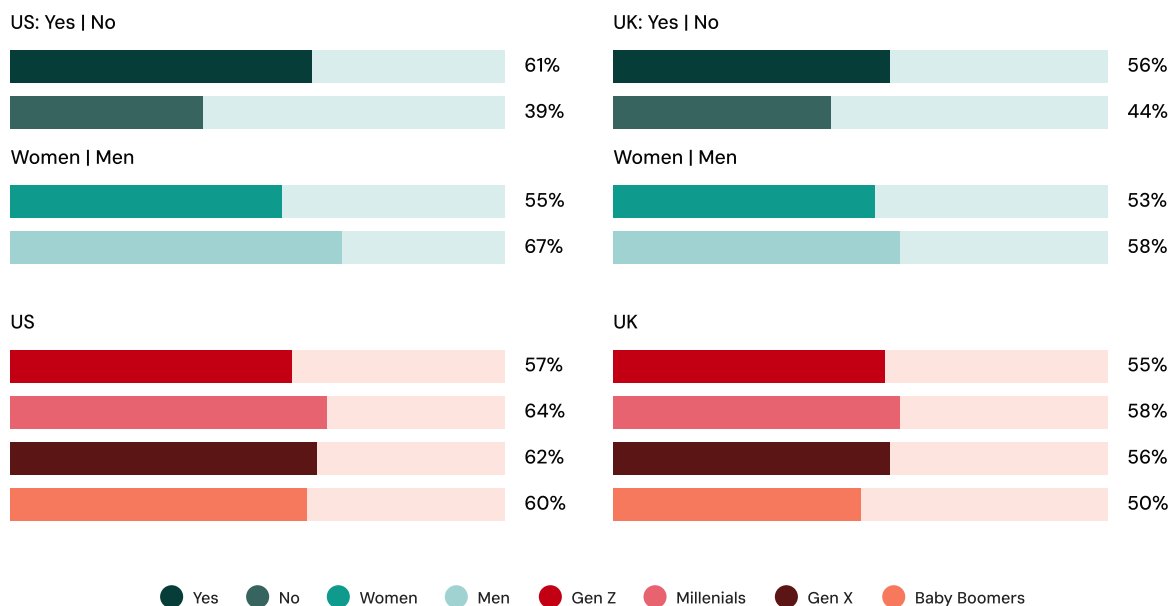
This was followed by an employer commitment to solving the pay gap (28%), changes to the recruitment process (26%), adjustments to female employees' salaries (25%), and establishing internal mentoring or other training programs for employees (23%). Fewer than a quarter (23%) of employees said their company had disclosed its current gender pay gap. Furthermore, just more than half (51%) said they believe their employer takes closing the gender pay gap seriously, up from 33% in 2019.

In the UK, more than a third (35%) of employees who believe there is a pay gap at their workplace think board members/executives should be responsible for driving change to close the gap, followed by managers (23%) and the government (19%). Almost 2 in 10 (17%) believe the actions their employer has taken are not effective, and a quarter (22%) said there aren't any actions being taken at all to mitigate gender pay gaps at their company.

Youngest, Oldest Workers Feel Unfairly Paid

Perceptions of fair pay are consistent, with roughly 2 in 5 workers believing they are not paid fairly (39% in the US, 44% in the UK). Men are more likely to feel they receive equitable compensation in both the US (67%) and the UK (58%), however, the delta between men's and women's perceptions in the US (12 percentage points) was much larger than in the UK (5 percentage points). Generationally, the youngest in the US workforce were most likely to feel unfairly paid, with 2 in 5 (43%) Gen Z respondents holding this view; relatedly, this group was also the most likely (55%) to believe age bias in compensation was a larger problem than gender bias. The reverse was true in the UK, with half (50%) of Baby Boomers, representing the oldest employees, the most likely to say they did not receive fair pay.

Percentage of Employees Who Believe They are Paid Fairly



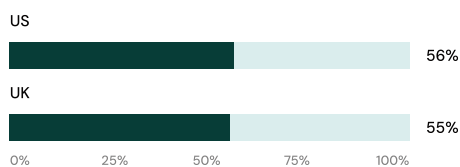
World Events Prompt Pay Discussions with Colleagues, but Not Managers

Pay transparency is increasingly becoming a reason to search for a new job. Nearly half (45%) of US employees said they would seek a job at a company that disclosed a lower gender pay gap than their current employer, a slightly higher rate than UK workers (37%).

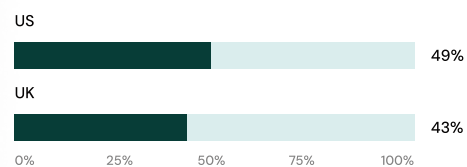
Relatedly, workers in both markets say that recent world events have made them more likely to discuss their pay with colleagues. Across the board, more than half of the respondents (55% of US workers and 56% in the UK) think the pandemic made them more likely to discuss their pay with their colleagues, while two-thirds (63%) of US employees and 58% of UK workers said that rising inflation had prompted these discussions.

But, while conversations about compensation have taken place among peers, these same respondents have held their tongue about pay with managers. More than 2 in 5 (43%) of US workers said the pandemic had made it less likely they would speak with their manager about pay, on par with the 42% of UK workers sharing this sentiment. In the UK, Millennials were the most likely to discuss pay with their managers, with only a third (34%) of the group saying these discussions had been negatively impacted by these issues. In the US, Millennials tied with Baby Boomers on this, with more than half (52%) stating the pandemic had made talking compensation with their manager more difficult; nearly half (47%) cited inflation.

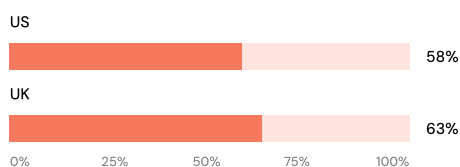
"The pandemic has made me more likely to discuss pay with my colleagues"



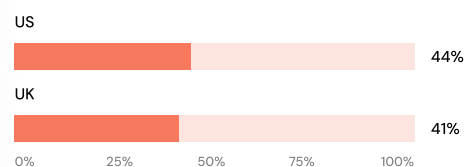
"But less likely to discuss pay with my manager"



"Inflation has made me more likely to discuss pay with my colleagues"



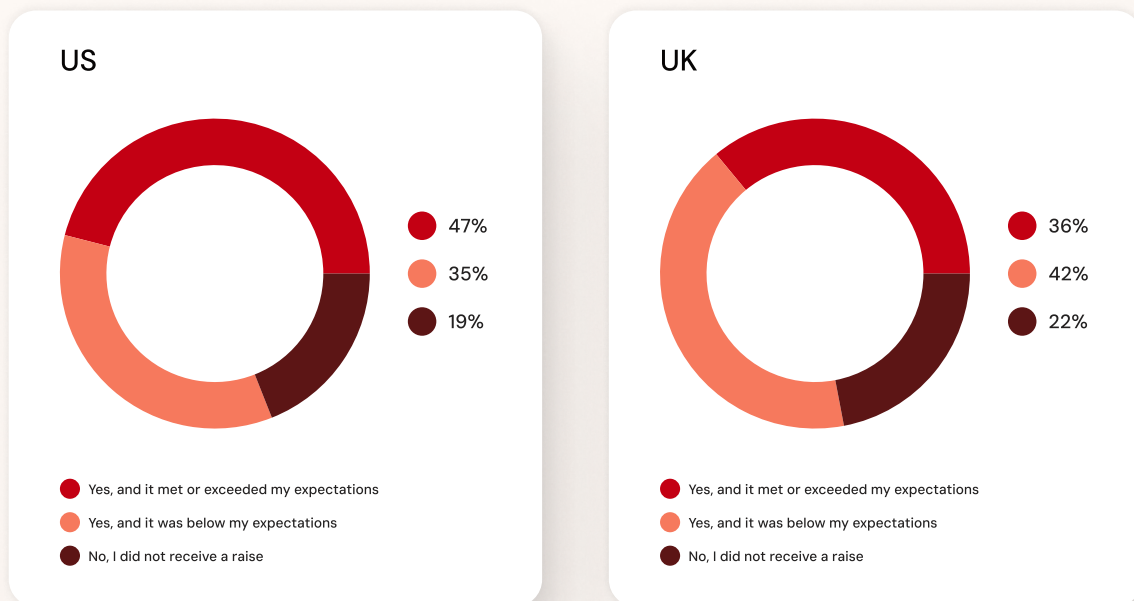
"But less likely to discuss pay with my manager"



Men More Likely to Ask For, Receive Raises

Following two years of intense competition for talent, employers may be tightening their purse strings. In the US, nearly 3 in 5 (58%) asked their employer or manager for a raise in the past year, and more men (51%) than women (42%) who made the request were successful in receiving one. Of those who asked for a salary increase, nearly half (47%) received one that met or exceeded their expectations, while a third (35%) received one below their expectations. Nearly 2 in 5 (19%) received no raise.

In the UK, nearly half (45%) of employees said they had asked for a raise in the past 12 months. Of those who put in the request, 42% said they received one that was below their expectations, while an additional 22% did not receive a raise.



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Employees Aren't Willing to Make Concessions

Despite the perception that employers are not doing enough to reverse and prevent pay discrepancies, few employees are willing to sacrifice their own compensation to level the playing field. In the US, fewer than half (43%) said they would forgo their bonus if it meant creating equal pay at their company; more than a third (34%) said they categorically would not. A majority (63%) would, however, publicly share their salary to help others' understanding of compensation in the industry.

"More than a third of employees said they would not forgo their bonus to equalize pay at their company."

In the UK, a third (33%) of employees would give up their bonus to create equal pay at their company — though more than a third (37%) would not. And, while a generous 1 in 5 (27%) UK employees would accept a lower salary to equalize pay in their organization, nearly half (48%) would not. Similar to their US counterparts, UK workers (62%) were much more likely to say they would share their salary information publicly to educate others on pay gaps.

Millennials, Biggest Critics of Pay Gaps, Are Willing to Do the Work

While few respondents were willing to give up pay or bonuses to equalize the gender pay gap, in the US, Millennials bucked that trend, with half (50%) stating they would forgo their bonus if it meant creating equal pay at their organization. This compares with just 40% of Gen Z and Gen X and only 33% of Baby Boomers willing to do the same. Millennials in the US also were the group most likely to believe a federal or national law mandating companies to disclose pay gap figures would help to close the gender pay gap.

"Nearly three quarters of Millennials are more willing to work at a company that discloses its gender pay gap."

In the UK, 3 in 5 (61%) Millennials believe not enough has been done to address the gender pay gap, and two-thirds (67%) believe the government should introduce stronger legislation to close the gender pay gap. UK Millennials (73%) are more willing to work at a company that discloses its gender pay gap figures yearly, showing their desire for transparency.

Summary of Findings

In this survey report, we have found that workplace dynamics continue to change as a result of the pandemic's influence on society as well as growing concerns around inflation and a potential economic downturn. Among the key findings:

More needs to be done.

While some progress has been made in addressing the gender pay gap, many still don't know the actual size of the discrepancy. However, a new awareness of age- or race-based pay inequity is rising.

Perception of lip service.

Many employees don't believe their company is sincere in addressing the gender pay gap and doubt the effectiveness of actions taken.

Legislation could help.

While there is a lack of trust in employer action, workers believe there should be pay regulations at the national level.

Colleagues are talking.

The pandemic and inflation have prompted employees to discuss their compensation with colleagues, however, many remain reluctant to do so with their manager.

Employees are holding back.

This reluctance was cited as the reason many workers, especially in the UK, didn't seek a raise in the past year. Concerns of a pending recession also made them hesitant to rock the boat.

The onus is on employers.

The majority of workers are not willing to give up perks such as bonuses to help employers make pay more equitable. They are, however, willing to publicly share their salary figures.

Millennials are the biggest critics.

In their prime earning years, Millennials were not only the most vocal regarding pay gaps at their company but also the most willing to make concessions.

About beqom

beqom is a purpose-built compensation platform that intuitively gives employers the power to realize comp's full potential from end to end, every day. We help the world's leading enterprises leverage their talent through complete, equitable, and transparent performance and rewards.

With unified data, complete pay management solutions, and AI-enabled pay intelligence, beqom enables companies to comply with regulatory requirements, optimize compensation decisions, and achieve better business results.

beqom: A complete compensation suite that does everything you want it to do. Bringing clarity, equity, and motivation to your workforce.

Visit www.beqom.com/contact-us to speak to our experts and learn about all that comp can become.

