

Gender pay gap: the Tesco test

City grandee and Tesco chairman John Allan once claimed that women enjoy such a propitious time in the jobs market that the pendulum had swung significantly away from men. The British supermarket group is about to find out whether he is right.

A law firm is leading an equal pay claim against Tesco, arguing that the value of shop floor work (mostly done by women) is comparable to that of warehouse staff, who are mostly men — and paid £100 a week more.

Executives should pay attention for two reasons. First, the case is being led by Leigh Day, which had success winning a £1bn award for women employed as carers and cleaners by Birmingham city council, who were not given the same benefits as staff in male-dominated jobs, such as refuse collection. The council was forced to sell the NEC exhibition complex to foot the bill. The same firm is engaged in similar suits on behalf of current and former staff at Asda and J Sainsbury.

The second is timing. Leigh Day is looking to recruit more litigants. It is no coincidence that the case was announced in a week marking 100 years of women's suffrage and just two months before the government compels large employers to publish figures on their gender pay gaps.

Equal pay law in the UK already demands that employers pay men and women the same for the same job, although things like location can be used to argue against comparison. Leigh Day's argument is about equal value. If successful, its cases could change the ways in which jobs are deemed comparable. That would probably spur employees to take action at other groups where workforces are split along gender lines, such as outsourcers or non-food retailers.

The sheer numbers potentially involved invite comparison with banking's PPI nightmare. Redress for that has so far cost the industry over £25bn. Suggestions that the case might cost Tesco £4bn are based on more staff coming forward to take part, so are inaccurate. And so far, no formal claim has been lodged. But the 2 per cent share price rise yesterday looks complacent. The government is intent on holding corporate feet to the fire

over gender pay gaps. Accepting wide pay variations is growing more tricky.

Companies need a plan. Proving that employees do markedly different work is one. More drastic is to outsource both jobs — and hence the problem.

