

UK bosses earn 143 times more than workers

LONDON, UK: The heads of Britain's largest companies earned 143 times more than their average employee last year, a study has revealed, exposing the growing pay gap between bosses and workers.



High Pay Centre's Deborah Hargreaves says that the pay packages of executives are iniquitous and need to be capped by legislation. Image: Twitter

The wage divide has nearly tripled since 1998, when the average chief executive of firms in the FTSE 100 earned 47 times as much as staff, the report found.

The British government has brought in laws to curb executive pay and bonuses since the financial crisis, but a severe squeeze on wage growth has fuelled public anger about highly-paid senior executives.

"When bosses make hundreds of times as much money as the rest of the workforce, it creates a deep sense of unfairness," said Deborah Hargreaves, Director of the High Pay Centre think-tank, which wrote the report.

The largest pay gap was at mining group Randgold Resources, where boss Mark Bristow was paid £4.4m last year, 1,500 as much as his average employee.

The study showed that Martin Sorrell, Head of marketing group WPP, took home a pay package of £29.8m nearly 800 times larger than his employees.

At retailer Next, boss Simon Wolfson earned almost 460 times more than his average worker, but then chose to distribute his bonus to staff, slightly reducing his total payment.

The study comes after the Bank of England last week halved its pay growth forecast for this year to below the rate of inflation at 1.25%.

Governor Mark Carney said the figures reflected relatively unprecedented weak wage growth in Britain.

The gloomy forecast came after official data showed that annual pay fell by 0.2% in the second quarter of the year, the first decline since the height of the financial crisis in 2009.

The squeeze on people's spending comes even as Britain's growth picked up pace, with the economy now bigger than before the start of the global financial meltdown in 2008.

"The government needs to take more radical action on payments to executives to deliver a fair economy that ordinary people can have faith in," said Hargreaves.

The study used pay figures from company reports and data from the Pensions Investment Research Consultants.

Source: AFP via I-Net Bridge



WPP's boss Martin Sorrell earned 800 times more than the average worker, taking home a colossal £29.8m last year. Image: Wikipedia