The Social Mobility Employer Index 2017

Key Findings

In partnership with the City of London Corporation
Introduction

This report outlines key findings for the 2017 Social Mobility Employer Index. We were delighted that nearly 100 employers from 17 sectors, collectively employing just under a million people, submitted entries to the Index this year.

We hope that this report will help employers to make tangible progress towards their social mobility goals.

Employer Index 2018

The 2017 Index was designed to be a benchmarking exercise, and has given us a good understanding of the work being done to tackle social mobility. We also now have an idea of how many organisations are collecting data, including which data points are being collected at each stage of the process. For 2018, the Index questionnaire will be amended and added to, and the Index will have an even stronger focus on evidence and data.

As part of the 2018 Index, we will also be running an anonymous employee survey to provide context to the data provided by organisations in their submissions. This will be a short survey of between 5 and 10 questions which we will ask organisations to send out to all staff. The questions will focus on the culture of the organisation and how open employees feel the organisation is to talent from all backgrounds.

A provisional timetable for the launch of the next Index is included below, and further information will be circulated shortly:

- November 2017 – The Employer Index and Employee Survey go live
- March 2018 – The Index and Employee Survey close to submissions
- May 2018 – The 2018 Index is published

Thanks

The Social Mobility Employer Index is a joint initiative between the Social Mobility Foundation and the Social Mobility Commission. The Index is run in partnership with the City of London Corporation, whose support has been invaluable.

We would also like to thank the members of the Index Advisory Group for their support:

Dr Louise Ashley, Royal Holloway, University of London
Peter Holmes, Stonewall
Stephen Isherwood, The Association of Graduate Recruiters
Nicholas Miller, The Bridge Group
Contents

Please click the headings below to go to each section

Section 2: Work with young people................................................................. 4

Section 3: Routes into the employer ............................................................. 8

Section 4: Attraction ..................................................................................... 10

Section 5: Recruitment and selection .......................................................... 12

Section 6: Data collection ............................................................................ 14

Section 7: Progression and experienced hires ............................................. 16

Section 8: Internal and external advocacy .................................................... 18

Appendix – Methodology ............................................................................. 20
Section 2: Work with young people

What we are looking for

Well-evaluated programmes that reach beyond the doorstep of the office to all of the country’s talent, and which provide routes into the employer/profession for those that have the interest and aptitude.

If you only do one thing

Connect your work with young people to your graduate recruitment, apprenticeship and school leaver pipelines.

Or

Target your outreach work at schools or areas of the country most in need of support.

- Work with young people was the highest scoring section of the Index across all submissions. The 98 Index organisations collectively reached 663,000 young people, offering nearly 10,000 work placements and mentoring over 5,000 students.

- 60% of organisations now cover travel costs for their work experience placements. That small amount of funding is often the difference between a disadvantaged student taking up a placement or not, and we would strongly urge all organisations to cover these costs as part of their social mobility strategy. Income should not be a barrier to accessing work experience.

- Organisations are also increasingly looking beyond their doorstep when targeting their outreach work, including using social mobility cold spots to reach those students most in need of support.  

Fig.1  Organisations that say they use data on social mobility cold spots to target work with young people

1 The Social Mobility Commission (Jan 2016), The Social Mobility Index
However, too much of the work with young people is still done on the doorstep of the employer. There was also some confusion about where the cold spots are, with some organisations indicating that they target cold spots but only work in London, where there aren’t any. The 65 cold spots from the 2016 Social Mobility Commission report are:

<table>
<thead>
<tr>
<th>Position</th>
<th>Local Authority</th>
<th>Region</th>
<th>Position</th>
<th>Local Authority</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (worst)</td>
<td>West Somerset</td>
<td>South West</td>
<td>34</td>
<td>Sandwell</td>
<td>West Midlands</td>
</tr>
<tr>
<td>2</td>
<td>Norwich</td>
<td>East of England</td>
<td>35</td>
<td>Worcester</td>
<td>West Midlands</td>
</tr>
<tr>
<td>3</td>
<td>Wychavon</td>
<td>West Midlands</td>
<td>36</td>
<td>Ashfield</td>
<td>East Midlands</td>
</tr>
<tr>
<td>4</td>
<td>Corby</td>
<td>East Midlands</td>
<td>37</td>
<td>North East Lincolnshire</td>
<td>Yorkshire and the Humber</td>
</tr>
<tr>
<td>5</td>
<td>Wellingborough</td>
<td>East Midlands</td>
<td>38</td>
<td>Weymouth and Portland</td>
<td>South West</td>
</tr>
<tr>
<td>6</td>
<td>Fenland</td>
<td>East of England</td>
<td>39</td>
<td>Poole</td>
<td>South West</td>
</tr>
<tr>
<td>7</td>
<td>Waveney</td>
<td>East of England</td>
<td>40</td>
<td>Forest Heath</td>
<td>East of England</td>
</tr>
<tr>
<td>8</td>
<td>Mansfield</td>
<td>East Midlands</td>
<td>41</td>
<td>North Warwickshire</td>
<td>West Midlands</td>
</tr>
<tr>
<td>9</td>
<td>Blackpool</td>
<td>North West</td>
<td>42</td>
<td>Chesterfield</td>
<td>East Midlands</td>
</tr>
<tr>
<td>10</td>
<td>Tameside</td>
<td>North West</td>
<td>43</td>
<td>Hastings</td>
<td>South East</td>
</tr>
<tr>
<td>11</td>
<td>Nuneaton and Bedworth</td>
<td>West Midlands</td>
<td>44</td>
<td>Hambleton</td>
<td>Yorkshire and the Humber</td>
</tr>
<tr>
<td>12</td>
<td>Newark and Sherwood</td>
<td>East Midlands</td>
<td>45</td>
<td>North Norfolk</td>
<td>East of England</td>
</tr>
<tr>
<td>13</td>
<td>Scarborough</td>
<td>Yorkshire and the Humber</td>
<td>46</td>
<td>Tamworth</td>
<td>West Midlands</td>
</tr>
<tr>
<td>14</td>
<td>East Cambridgeshire</td>
<td>East of England</td>
<td>47</td>
<td>Wakefield</td>
<td>Yorkshire and the Humber</td>
</tr>
<tr>
<td>15</td>
<td>Nottingham</td>
<td>East Midlands</td>
<td>48</td>
<td>Bradford</td>
<td>Yorkshire and the Humber</td>
</tr>
<tr>
<td>16</td>
<td>Crawley</td>
<td>South East</td>
<td>49</td>
<td>Babergh</td>
<td>East of England</td>
</tr>
<tr>
<td>17</td>
<td>Torridge</td>
<td>South West</td>
<td>50</td>
<td>Cambridge</td>
<td>East of England</td>
</tr>
<tr>
<td>18</td>
<td>Rutland</td>
<td>East Midlands</td>
<td>51</td>
<td>Bolsover</td>
<td>East Midlands</td>
</tr>
<tr>
<td>19</td>
<td>Breckland</td>
<td>East of England</td>
<td>52</td>
<td>Thanet</td>
<td>South East</td>
</tr>
<tr>
<td>20</td>
<td>Wyre Forest</td>
<td>West Midlands</td>
<td>53</td>
<td>Cannock Chase</td>
<td>West Midlands</td>
</tr>
<tr>
<td>21</td>
<td>South Derbyshire</td>
<td>East Midlands</td>
<td>54</td>
<td>Arun</td>
<td>South East</td>
</tr>
<tr>
<td>22</td>
<td>Derby</td>
<td>East Midlands</td>
<td>55</td>
<td>Broxtowe</td>
<td>East Midlands</td>
</tr>
<tr>
<td>23</td>
<td>Carlisle</td>
<td>North West</td>
<td>56</td>
<td>Herefordshire</td>
<td>West Midlands</td>
</tr>
<tr>
<td>24</td>
<td>Doncaster</td>
<td>Yorkshire and the Humber</td>
<td>57</td>
<td>North East Derbyshire</td>
<td>East Midlands</td>
</tr>
<tr>
<td>25</td>
<td>Barnsley</td>
<td>Yorkshire and the Humber</td>
<td>58</td>
<td>Wiltshire</td>
<td>South West</td>
</tr>
<tr>
<td>26</td>
<td>Melton</td>
<td>East Midlands</td>
<td>59</td>
<td>Erewash</td>
<td>East Midlands</td>
</tr>
<tr>
<td>27</td>
<td>Stoke-on-Trent</td>
<td>West Midlands</td>
<td>60</td>
<td>Hartlepool</td>
<td>North East</td>
</tr>
<tr>
<td>28</td>
<td>Great Yarmouth</td>
<td>East of England</td>
<td>61</td>
<td>Oxford</td>
<td>South East</td>
</tr>
<tr>
<td>29</td>
<td>East Northamptonshire</td>
<td>East Midlands</td>
<td>62</td>
<td>Wolverhampton</td>
<td>West Midlands</td>
</tr>
<tr>
<td>30</td>
<td>Northampton</td>
<td>East Midlands</td>
<td>63</td>
<td>Northumberland</td>
<td>North East</td>
</tr>
<tr>
<td>31</td>
<td>Oldham</td>
<td>North West</td>
<td>64</td>
<td>East Staffordshire</td>
<td>West Midlands</td>
</tr>
<tr>
<td>32</td>
<td>King’s Lynn and West Norfolk</td>
<td>East of England</td>
<td>65</td>
<td>Middlesborough</td>
<td>North East</td>
</tr>
<tr>
<td>33</td>
<td>Ipswich</td>
<td>East of England</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^2\)Ibid
• The majority of organisations are evaluating their outreach work, but the evaluation is often patchy and fairly basic – 47% of organisations only evaluate their work with young people using student feedback. Whilst this is a good starting point, there may be a selection bias (i.e. those that had a good time are more likely to respond) and, used on its own, this kind of evaluation cannot demonstrate longer term outcomes.

• We also found that not enough of the outreach work is directly linked to recruitment. It was great to see that 49% of organisations monitor whether the students they have worked with go on to apply to them for a role and keep in touch with them to tell them about further opportunities. However, 36% of organisations do not retain any contact details for the students they work with. Those organisations cannot keep in touch with the young people they have worked with, and will not be able to effectively track outcomes.

---

**Case studies**

**Rolls-Royce – Evaluation**

Rolls-Royce runs a wide range of programmes and activities that reached over 990,000 young people, teachers and parents in the UK in 2016 delivered through over 80,000 employee hours of engagement. They have a publicly declared target of reaching 6 million people through STEM programmes and activities by 2020.

The evaluation of their outreach work is based on research by Dr Anthony Mann which found that young people who have four or more interventions with an employer have more positive work and life outcomes.

Rolls-Royce has therefore set up their reporting to capture and assume that impact on young people is proportionate to the quality and level of their outreach activity. They have four tiers of reach – 1) connect, 2) engage, 3) learn and 4) sustained learning. They focus on targeting tiers 4, 3 and 2 on the basis that these are more likely to change beliefs, decisions and outcomes (positively) for young people.

The organisation also measures the impact of their outreach work on their employees, finding sustained interaction with the students leads to ‘higher performance and wellbeing’.

**J.P. Morgan – Linking outreach to recruitment**

J.P. Morgan’s core programme takes students from the Isle of Wight to the Western Isles of Scotland and brings them down to London for an internship. They pick students up in Year 12/S5 and work with them for the next five years, all the way through to graduation, thereby fully integrating work with young people with the firm’s graduate talent pipeline.

The Programme has for several years involved 50 Year 12/S5 students (70 in 2017, rising to 100 by 2020) from anywhere in the UK being selected every year to be mentored by a J.P. Morgan employee who is at least a Vice President or above, with many Managing Directors acting as mentors – and undertaking a two week internship across all front office areas of the business in the summer. The following year, 40 of the participants return for another paid placement at the firm, before being
supported to apply for the bank's Spring Week Programme for first year undergraduates and, subsequently, their internship programme for penultimate year undergraduates.

In 2017, 16 people participated in Spring Week, 9 in the Internship Programme and, in 2016, J.P. Morgan hired the first graduates from the 2012 cohort.
### Section 3: Routes into the employer

**What we are looking for**
Well-structured non-graduate routes that provide genuine parity of esteem and comparable progression to graduate ones.

**If you only do one thing**
Challenge your current definitions of talent – do your minimum grade requirements actually predict in-role performance?

Or

Track the progress of employees from non-graduate routes. Do your apprenticeship or school leaver programmes offer genuinely comparable progression?

- It was really positive to see that 84% of the internships offered by Index organisations were paid. Unpaid internships are a huge barrier to entry for students from lower socio-economic backgrounds, so it’s really encouraging to see the majority of organisations operating a paid model.

- Organisations are slowly starting to re-think their approach to minimum academic requirements – 15% no longer had any minimum grades, and 13% have lowered the minimum grade requirement or reduced their importance within the broader recruitment process.

- Nearly three quarters of organisations (72%) are offering apprenticeships, but 78% are at Levels 2 and 3 (GCSE or A level equivalent), which have been shown to offer lower returns for the apprentices. In addition, progression on non-graduate programmes is possible in theory but not enough organisations have good data to show it is happening in practice.

- In every sector, the proportion of successful applications from students at Russell Group universities was higher than the proportion of applications received. In some cases, the discrepancy was as high as 67%. The graph below summarises the average disparity by sector:

---

**Fig. 2**

Russell Group applications and acceptances by sector

- Applications
- Acceptances
Only 4% of organisations could provide a rationale for their minimum grade requirements. 30% have data on how many met their minimum grade requirements, but many cannot confidently say that they hire people into their graduate routes with what they say are their minimum requirements on the website, and no higher than these, i.e. a B in English and Maths.

Case study

WM Morrisons – Apprenticeships

WM Morrisons offers potential applicants four different apprenticeship options, alongside their graduate route into the business. Critically, the four apprenticeships are offered across three different levels of qualification:

<table>
<thead>
<tr>
<th>Apprenticeship</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Apprenticeship</td>
<td>3</td>
</tr>
<tr>
<td>Finance Apprenticeship</td>
<td>4</td>
</tr>
<tr>
<td>Degree Apprenticeship</td>
<td>6</td>
</tr>
</tbody>
</table>

From September 2017 this offer is growing to include many more apprenticeships, including CIMA, Software Development (Level 4), ILM Management (Level 5), CIPD, and Retail Team Leader (Level 3) amongst others.

At a time when many employers are reconsidering their recruitment strategies in light of the implementation of the apprenticeship levy, we would encourage employers to consider offering high-level apprenticeships alongside those at lower levels.
Section 4: Attraction

What we are looking for
Innovative ways of reaching beyond graduates of the usual five to ten universities many top employers focus their efforts on.

If you only do one thing
Visit a broader range of universities.

- Organisations are adopting a technological approach to reaching students beyond their campus visits and spreading information about their work – 70% are utilising online tools, including social media, chat forums and live Q&A sessions.
- Some employers are going beyond the usual 10-15 universities and working with a real range of non-traditional institutions. In some cases, 70%-80% of an organisation’s visits have been to universities outside the Russell Group.
- However, the university a student attends still has a massive impact on their chances of success in the elite professions. 70% of all university visits by Index organisations are to Russell Group institutions. For some organisations, Oxbridge visits represent half of all their university visits in a year.

We’d recommend that employers use a combination of socio-economic and academic metrics to choose the universities they work with, and we have included some suggestions below:

Socio-economic indicators
The Higher Education Statistics Agency (HESA) uses two different metrics for socio-economic background at university – attendance from state schools or colleges and percentage of students from low participation neighbourhoods. The full HESA data set for 2015/16 can be found here, and each of the metrics is outlined below:

State schools or colleges: Table T1A
Although not broken down into grammar/comprehensive schools, the data on state school attendance at universities will still give an indication of the levels of socio-economic diversity at an institution. Data for all UK universities can be found in column I.

Low participation neighbourhoods: Table T1A
This data is based on the POLAR 3 classification, which looks at how likely young people are to participate in higher education across the UK and shows how this varies by area. POLAR classifies local areas or ‘wards’ into five groups, based on the proportion of 18 year olds who enter HE aged 18 or 19 years old. These groups range from quintile 1 areas, with the lowest young participation (most disadvantaged), up to quintile 5 areas with the highest rates (most advantaged). In the HESA data table, column X shows the percentage of students from low participation neighbourhoods (quintile’s 1 and 2) for all UK universities.

NS-SEC
The National Statistics Socio-economic Classification (often abbreviated to NS-SEC) is the official socio-economic classification in the United Kingdom. NS-SEC divides the population into eight classes:
1. Higher managerial & professional occupations
2. Lower managerial and professional occupations
3. Intermediate occupations
4. Small employers and own account workers
5. Lower supervisory and technical occupations
6. Semi-routine occupations
7. Routine occupations
8. Never worked or long-term unemployed

HESA measures the percentage of students from families in NS-SEC categories 4-7 at universities as a social mobility metric. This measure is being discontinued in 2017, but should still be considered at this stage.

**Academic indicators**

*Times Higher Education World University Rankings*
*The Complete University Guide*
*The Guardian University League Tables*
*The Teaching Excellence framework (TEF)*

The table below uses HESA data for 2014/15 to rank the Russell Group universities using the socio-economic metrics outlined above. Each metric is ranked out of 153, 151 or 135 depending on the number of universities HESA had data for. We’ve also included the level of TEF award each university received.

<table>
<thead>
<tr>
<th>University</th>
<th>State school (out of 153)</th>
<th>NS-SEC (out of 151)</th>
<th>POLAR 3 (out of 135)</th>
<th>TEF award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham</td>
<td>127</td>
<td>124</td>
<td>108</td>
<td>Gold</td>
</tr>
<tr>
<td>Bristol</td>
<td>147</td>
<td>146</td>
<td>127</td>
<td>Silver</td>
</tr>
<tr>
<td>Cambridge</td>
<td>146</td>
<td>150</td>
<td>130</td>
<td>Gold</td>
</tr>
<tr>
<td>Cardiff</td>
<td>116</td>
<td>121</td>
<td>68</td>
<td>Silver</td>
</tr>
<tr>
<td>Durham</td>
<td>145</td>
<td>147</td>
<td>120</td>
<td>Silver</td>
</tr>
<tr>
<td>Edinburgh</td>
<td>141</td>
<td>140</td>
<td>N/D</td>
<td>n/a</td>
</tr>
<tr>
<td>Exeter</td>
<td>142</td>
<td>145</td>
<td>119</td>
<td>Gold</td>
</tr>
<tr>
<td>Glasgow</td>
<td>119</td>
<td>129</td>
<td>N/D</td>
<td>n/a</td>
</tr>
<tr>
<td>Imperial</td>
<td>144</td>
<td>144</td>
<td>126</td>
<td>Gold</td>
</tr>
<tr>
<td>King’s</td>
<td>136</td>
<td>110</td>
<td>115</td>
<td>Silver</td>
</tr>
<tr>
<td>Leeds</td>
<td>126</td>
<td>125</td>
<td>89</td>
<td>Gold</td>
</tr>
<tr>
<td>Liverpool</td>
<td>112</td>
<td>112</td>
<td>65</td>
<td>Bronze</td>
</tr>
<tr>
<td>LSE</td>
<td>140</td>
<td>131</td>
<td>128</td>
<td>Bronze</td>
</tr>
<tr>
<td>Manchester</td>
<td>123</td>
<td>128</td>
<td>81</td>
<td>Silver</td>
</tr>
<tr>
<td>Newcastle</td>
<td>137</td>
<td>134</td>
<td>77</td>
<td>Gold</td>
</tr>
<tr>
<td>Nottingham</td>
<td>131</td>
<td>135</td>
<td>103</td>
<td>Gold</td>
</tr>
<tr>
<td>Oxford</td>
<td>150</td>
<td>151</td>
<td>132</td>
<td>Gold</td>
</tr>
<tr>
<td>Queen Mary</td>
<td>111</td>
<td>64</td>
<td>122</td>
<td>Silver</td>
</tr>
<tr>
<td>Queen's (Belfast)</td>
<td>13</td>
<td>90</td>
<td>114</td>
<td>n/a</td>
</tr>
<tr>
<td>Sheffield</td>
<td>114</td>
<td>130</td>
<td>78</td>
<td>Silver</td>
</tr>
<tr>
<td>Southampton</td>
<td>117</td>
<td>123</td>
<td>98</td>
<td>Bronze</td>
</tr>
<tr>
<td>UCL</td>
<td>139</td>
<td>138</td>
<td>125</td>
<td>Silver</td>
</tr>
<tr>
<td>Warwick</td>
<td>135</td>
<td>137</td>
<td>113</td>
<td>Silver</td>
</tr>
<tr>
<td>York</td>
<td>121</td>
<td>136</td>
<td>92</td>
<td>Silver</td>
</tr>
</tbody>
</table>
Section 5: Recruitment and selection

What we are looking for

Evidence that the employer:

a) removes hurdles that will disproportionately affect those from lower socio-economic groups, and
b) is moving to a system that judges potential rather than past academic performance or polish.

If you only do one thing

Analyse whether or not your recruitment process is accurately predicting potential to do the job rather than past academic performance or polish.

- It was positive to see that a number of employers are starting to use blind recruitment as part of their application process, as we know that this can unduly impact the success rates for some demographics at certain organisations. Alternatively, some organisations that wish to retain grades are increasingly using contextual recruitment to put candidates’ grades in the context of the school attended – 31% have implemented contextual recruitment as part of their application process.

- However, the majority of organisations are still using grades and the university attended as proxies for talent. Organisations are also scoring things in the recruitment process that are likely to favour candidates from a certain socio-economic group: 42% score how much work experience an applicant has completed, 35% score A-level grades above their minimum academic requirement and 24% score the number of extra-curricular activities undertaken.

Fig. 4

[Bar chart showing various factors scored in the recruitment process with percentages for each factor.]
• Only 4% of organisations could demonstrate a genuine link between their recruitment process and in-role performance.

Case studies
Grant Thornton – Linking the recruitment process to in-role performance

In 2013, Grant Thornton removed all academic entry requirements for all of their entry level talent programmes; graduate, school leaver, placements, internships and work experience. They do not stipulate any minimum grade requirements and instead use a 'balanced screening scorecard' that looks holistically across a wide range of achievements (personal, professional and academic) and assesses candidates based on their overall potential and connection with the firm's values.

In addition to this change, the firm also:
- Invested heavily in coaching to help level the playing field for students who do not have access to recruitment skills training;
- Created an online community called 'I’ve Applied' to provide a forum for candidates to interact with each other and their recruiters; and
- Selected an aptitude testing provider that can specifically prove that their tests do not discriminate on the basis of gender, ethnicity or socio-economic background.

The Bridge Group analysed Grant Thornton’s new approach to recruitment, and found that it had no adverse impact at any stage for students from lower socio-economic backgrounds. As a result of these changes, approximately 20% of the firm’s annual intake is now people that would previously have been screened out. Looking at the 2014/2015 intake and data from the annual performance review process, 38% of those who would have been previously screened out due to academic requirements are considered to be strong performers, compared to 34% of those who would have passed the previous screening.

Fujitsu – Data collection and upwards trends

Fujitsu has implemented a number of changes to its recruitment process that have yielded positive results. The first was a situational judgement test, introduced to the application process, which saw 26% of its 2017 graduate cohort coming from Russell Group universities – a further improvement from 35% for the 2016 intake. In addition, 44% of their 2017 graduate cohort will be the first in their family to study at university.

During analysis of its recruitment process, Fujitsu also found that some of its group exercises were not assessing candidates accurately, and that some competencies were not proving to be useful indicators of in-role performance. These elements were removed, and an unconscious bias initiative was also introduced. Following these changes, the organisation saw the following improvements:

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>49% female</td>
<td>46% female</td>
</tr>
<tr>
<td>26% Russell Group</td>
<td>35% Russell Group</td>
</tr>
<tr>
<td>26% BAME</td>
<td>13% BAME</td>
</tr>
<tr>
<td>44% First generation</td>
<td>Data not previously available</td>
</tr>
<tr>
<td>16% declared a disability</td>
<td>4% declared a disability</td>
</tr>
</tbody>
</table>

In addition, the organisation saw vastly lower rates of incomplete applications – 36% were not completed in 2017, as opposed to 54% in 2016 with improved candidate experience.
**Section 6: Data collection**

**What we are looking for**

Rigorous analysis of the socio-economic profile of the workforce and of measures taken to improve its diversity.

**If you only do one thing**

Collect socio-economic background data for the current workforce as well as new employees.

*Or*

Publish data on the socio-economic background of your workforce to increase transparency.

*Or*

Collect data on each stage of the recruitment process to analyse whether or not particular demographics are struggling on certain areas.

- We welcome the growth in employers asking employees questions about their socio-economic background. The graph below shows the percentage of organisations collecting this data for new entrants (NE) and current employees (CE):

![Fig 5. Socio-economic data collection](image)

- Completion rates for the socio-economic questions vary, particularly for current employees, but some organisations are achieving a 100% completion rate for both groups.

- 34% of organisations are also currently monitoring their recruitment process by socio-economic background. The range of stages identified as being a barrier covers most of the application process, but the main three are online tests, assessment centres and interviews. The steps taken to help reduce these barriers fall into four broad categories:
- Contextual recruitment
- Extra support sessions
- Removal of online tests
- Unconscious bias/interview training

- Overall, 37% of organisations have their workforce data signed off at Board level, and 44% are publishing some data on the profile of their workforce. However, in many cases the published data does not include socio-economic metrics, focusing instead on protected characteristics. We would encourage all employers to collect and publish detailed data on the socio-economic make-up of their workforce to increase transparency.

- Whilst the increased levels of data collection are really positive, the data being collected is not always granular enough to provide an accurate picture of the profile of the workforce. A good example of this is the question on type of school attended – many organisations only have one option for ‘state school’, which encompasses both grammar schools and comprehensives.

We would recommend that firms record this as two separate options: ‘selective state school’ and ‘non-selective state school’. This is because there are 4-5 times as many pupils at grammar schools that attended a prep school as those from the most disadvantaged backgrounds, so merging the groups is likely to give an inaccurate picture of the socio-economic background of your workforce.

**Case study**

**KPMG – collecting and publishing detailed socio-economic data**

KPMG was the first business in the UK to publish detailed workforce data outlining the socio-economic make-up of the firm. The firm published comprehensive data, which measured employees’ parental occupation and education and the type of school employees attended. KPMG also shared graduate and school leaver socio-economic data from the past three years, demonstrating the efforts made by the firm to ensure a more diverse talent pipeline.

The data revealed that the majority of the workforce – 74% of respondents – received a state school education: 60% attended a non-selective state school and 14% attended a selective state school, with 23% receiving private education. Additional detail on parental education showed that 48% have a parent or guardian with a university degree, while 43% do not. On parental occupation, 58% have parents in a higher managerial, administrative and professional occupation, 16% have parents employed in a manual occupation and 11% have parents in intermediate occupations. KPMG was the first business in the UK to share details of the parental occupation of its workforce, which is recognised by social mobility experts as a strong indicator of socio-economic background.

Of around 1,000 graduates and 250 school leavers to join the firm in 2016, 11% and 18% respectively had been eligible for Free School Meals. Through capturing this data, the firm has been able to monitor the impact of the work they have undertaken to boost social mobility. For example, their data shows that year-on-year they have recruited more school leavers from disadvantaged backgrounds. In 2014, 12% of school leaver recruits were eligible for free school meals, and this rose to 18% in 2016.
Section 7: Progression and experienced hires

What we are looking for

Effective strategies that help those from lower socio-economic groups ‘get on’ rather than just ‘get in’.

If you only do one thing

Start to collect data on retention and progression at your organisation using socio-economic metrics.

- Section 7 of the Employer Index was the lowest scoring section on average. This result was not surprising as employers have understandably been focused firstly on recruiting a diverse cohort of applicants into their organisation.

- We are slowly starting to see firms turn their attention to this area of social mobility, which is positive – as the Social Mobility Commissions’ recent ‘Class Pay Gap’ report showed those from lower socio-economic backgrounds are still paid less on average than their more advantaged peers.

- Many organisations indicated that they offer additional support to those from lower socio-economic groups (as demonstrated in the graph below). However, on closer inspection, these initiatives were often offered to all employees, or focused on broader diversity characteristics without specifically targeting socio-economic background.

![Fig. 7](image-url)

**Fig. 7**

- Buddying/mentoring
- Support with professional qualifications
- A network of employees from similar backgrounds

---

• The majority of organisations are also not collecting data on retention, progression or professional qualifications in a way that allows it to be broken down by socio-economic background:

Fig. 8 Data collection by SEB

![Bar chart showing data collection by SEB](chart.png)

• For senior hires, only 22% of organisations have a brief for external recruitment agencies and, of those that do have briefing documents, only 18% specifically mention that they are seeking diversity of socio-economic background.
Section 8: Internal and external advocacy

What we are looking for
Action to get more staff involved in efforts to improve social mobility and to get suppliers/peer firms to engage with the issue.

If you only do one thing
Talk to employees about why social mobility is important – encourage open discussion and transparency.

Or
Encourage your supply-chains to take action on social mobility.

- Generally speaking, the Index organisations are engaging in external advocacy, with 63% sharing the work they are doing on social mobility with others in the sector through networks and events. However, only 45% of organisations encourage employees to share their social mobility stories within the organisation.

- 37% of organisations are encouraging their supply chains to take action on social mobility. This is a good start, but given the purchasing power represented in the 98 Index submissions, we would encourage more organisations to view this as a key part of their social mobility strategy.

- One in five organisations now set social mobility targets as part of their wider business strategy. This is a really positive development, and represents a broader trend over the last few years which has seen social mobility work shift from corporate social responsibility to recruitment.

Case studies

Baker McKenzie – Social Mobility Week
In 2015, Baker McKenzie hosted their inaugural Social Mobility Week, which at the time was one of the first of its kind in the City. The week provided an opportunity for internal engagement, outreach and advocacy and included an external panel discussion, an outreach afternoon for 50 students and a session focused on the firm’s outreach programmes.

In addition, Baker McKenzie shared a series of blogs focusing on the personal social mobility journeys of employees, which proved an effective tool for changing perceptions and breaking down barriers.

Skanska – Supply chains
Skanska is the founding member of the Supply Chain Sustainability School, which now has 64 industry partners and over 21,000 members. The School provides an online learning platform, training programme and comprehensive resource library to improve the industry’s ability to understand sustainability issues and innovate. One of the 10 key sustainability areas is Employment Skills and Ethics, which helps to drive aspirations around diversity and inclusion. The School is able to
measure SME performance, and has seen a 17% increase in the organisation using sustainability knowledge, which helps the supply chain to deliver on its sustainability goals.

As part of Skanska’s continuing search for the industry’s best green solutions, they run an annual Supply Chain Green Solutions Award, open to all current and prospective members of their supply chain. Now in its sixth year, Skanska’s Supply Chain Sustainable Solutions award is designed to uncover innovative, inspirational products or ways of working. There have been over 450 entries to date, mostly from SMEs.
Appendix – Methodology

Employers entering the Index did so free of charge and voluntarily. To enter, they had to answer questions about actions they are taking in at least one of the seven sections on the submission form and submit it to the Social Mobility Foundation, which completed the initial marking. The seven sections of the Index were as follows: work with young people; routes into the organisation; attraction strategies; selection methods; data collection; progression; internal and external advocacy. Various data and evidence of activity was requested in each section with further evidence requested during marking based on the answers given.

The submissions were marked using a strict mark scheme and the list of scores was then benchmarked both within the same sector and across different employment sectors. In targeting sectors that have sometimes been identified as needing to improve their socio-economic diversity, the Index recognises that process often has to be introduced before progress can be made and does not punish employers for starting from a low base, but rather rewards them for taking significant action to improve this. The top 50 are thus those taking the most action on social mobility and not the 50 that are already the most representative of the country at large.

Both the development of the Index and the benchmarking was supported by an advisory group whose membership has representatives from the Association of Graduate Recruiters, the Bridge Group, Royal Holloway University, Stonewall and the Social Mobility Commission.

Submissions were received from 98 employers across 17 different sectors.