SOCIAL
MOBILITY
FOUNDATION®

KEY FINDINGS

Social Mobility Employer Index

2019

SOCIAL MOBILITY EMPLOYER INDEX

KEY FINDINGS 2019

INTRODUCTION

This report outlines key findings for the 2019 Social Mobility Employer Index. We were delighted that 125 employers from 18 sectors, collectively employing over 1.1 million people, submitted entries to the Index in 2019.

EMPLOYER INDEX 2019

Each year the Index questions are reviewed with support from the Index's Advisory Group. In 2019, the vast majority of questions remained the same to give employers consistency, however some questions were tweaked and additional questions were added around culture and intersectionality. For key questions, organisations were also asked for 3 years of data so that we could monitor the impact of the changes that organisations have been implementing. Please note that data is provided as a percentage of the overall submissions, unless otherwise stated, and therefore where percentages have fallen between 2018 and 2019, this is amongst a larger number of entrants (106 in 2018 vs 125 in 2019).

For the second year running, organisations were also able to take part in a voluntary employee survey, which provides a cultural context to the data provided in submissions. Questions focus on whether employees feel that their workplaces are inclusive of all social backgrounds - a full list of questions can be found in Appendix 2. We were delighted that a third of the organisations submitting in 2019 sent out the employee survey, and we received over 14,000 responses. Section one of this report summarises the key findings.

THANKS

We would 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 Institute of Student Employers
- Nicholas Miller, The Bridge Group
- Claire Tunley, City of London Corporation

Members of the Advisory Group may be working with organisations that submit to the Index outside their involvement with the Advisory Group, but do not help organisations to write their Index submissions, or give any additional Index support. The group takes an advisory role to the Index, and is not involved in the Index marking, but rather helps to shape the Index questions and provide moderation guidance.

CASE STUDIES

Where case studies are featured within this report they use wording supplied by the organisation in question.

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TOP 75

SOCIAL MOBILITY
EMPLOYER INDEX 2019

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EMPLOYEE SURVEY

The employee survey provides a cultural context to the data in submissions. It consists of 8 questions which are focused on whether employees feel that their workplaces are inclusive of all social backgrounds. Employees are also asked to anonymously self-identify their class background so that organisations can compare responses to the survey's questions across different class groups. Organisations can choose to take part in the employee survey, it is not a requirement of submitting to the Index.

We were delighted that 41 organisations took part in the employee survey, and collectively we received 14,952 responses.

Fig. 1 shows participants' responses to whether they identified as coming from a working class, middle class or upper class background.

Fig. 1

Pie chart showing:
- 56.5% Working class background
- 42.6% Middle class background
- 0.8% Upper class background
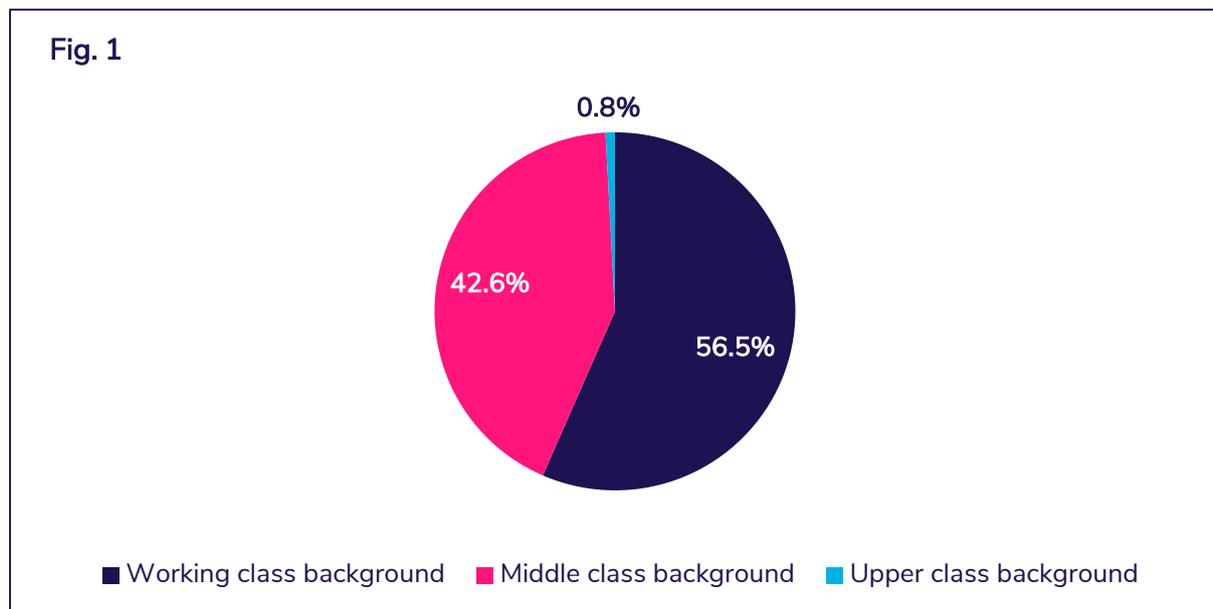
Asking this question allowed us to cut the data by socio-economic background. Each participating employer received the results broken down for their own organisation vs the average. Given the average completion rate across the 41 organisations was 11%, it is not possible to make definitive conclusions about the results, but they do suggest that employees who self-identify as coming from a working class background still feel less comfortable in the workplace than those from other backgrounds (Fig. 2).

- 64% of those who identify as working class think that that they have not experienced barriers to career progression due to their class background, compared to 76% of those who identify as middle class.

- Twice as many working class respondents than those identifying as middle class feel the need to hide their class background to get ahead in their workplace. 12% of employees

identifying as working class agree with the statement compared to 6% of middle class respondents. In addition, 11% of employees with a working class background feel out of place due to their background compared to 5% of employees identifying as middle class.

- Those who identify as working class are less likely to think that their organisation is open to all class backgrounds (80% vs 84% of employees identifying as middle class and 88% of employees identifying as upper class.

- Only just over half of working class respondents feel that the senior leadership of their organisation wants to diversify the class backgrounds of their organisation's staff (53% vs 60% of respondents identifying as middle class).

- Those who identify as working class are more likely to think people get ahead in their workplace because of who they know (45% vs 39% of respondents identifying as middle class).

Fig. 2

socialmobility.org.uk/Index
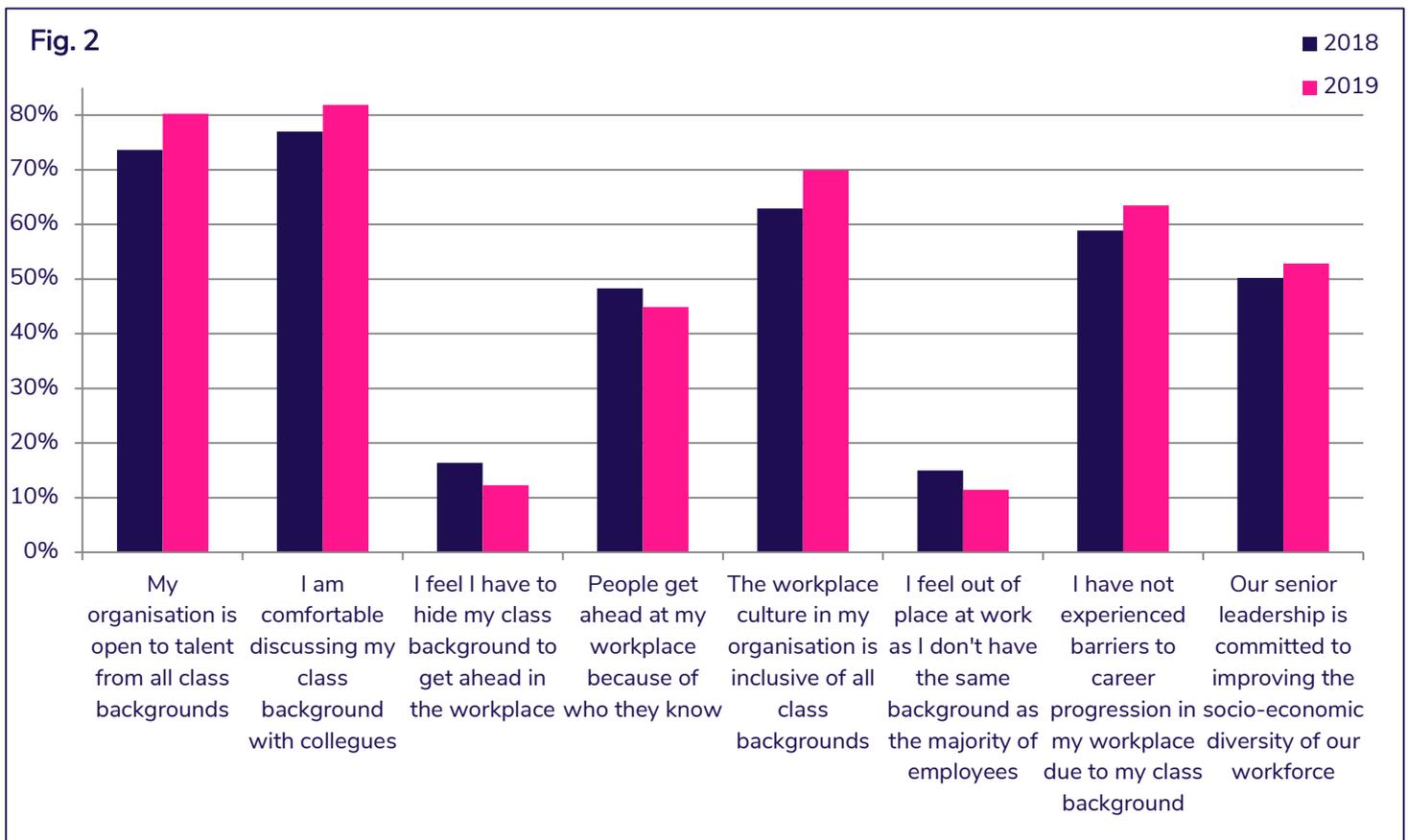
SECTION 2

Work with young people

What we are looking for

Well targeted and well evaluated programmes that reach beyond the doorstep of the office to all of the country's talent, and which provide genuine routes into the organisation/profession for those with 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 and track success rates as they apply for recruitment programmes and permanent roles

Or

Target your outreach work at schools or areas of the country most in need of support, including the social mobility cold spots that are currently least visited by employers

Go one step further and...

Encourage employees who provide informal work experience opportunities to offer additional work experiences places to young people from low-income backgrounds, as per SMF's One +1 campaign

Fig. 3

Organisations using cold spots to target work with young people
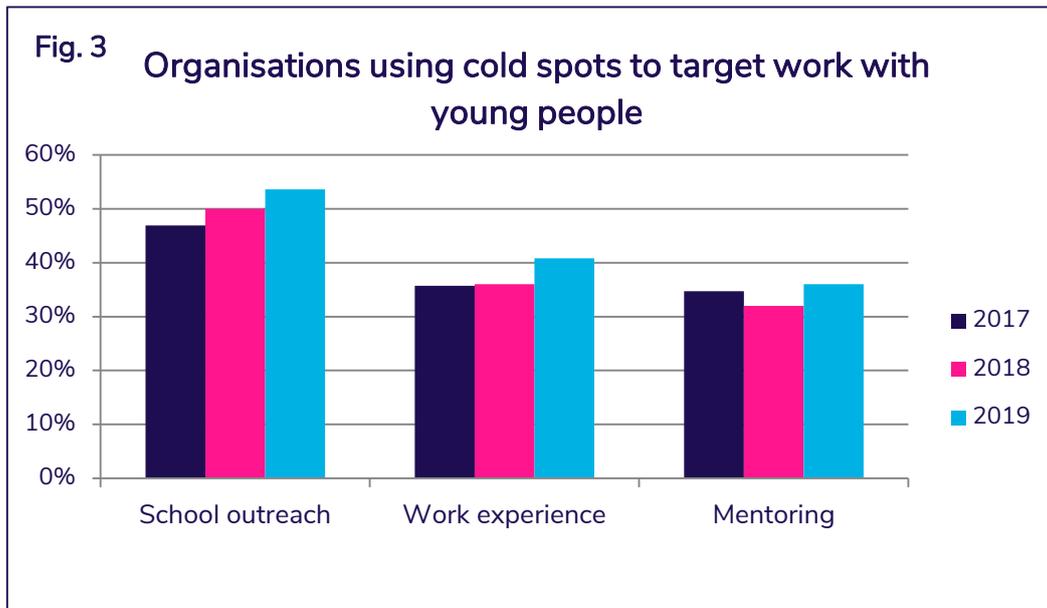
- Participating Index employers run extensive outreach programmes, collectively reaching: 5,618,398 young people through school outreach, 15,022 through work experience and 11,258 through mentoring. While the number of young people

socialmobility.org.uk/Index

reached through outreach activities and mentoring increased compared to 2018, more than 6,500 young people less were reached through work experience (Fig. 3).

- It was encouraging to see over 60% of all Index employers targeting their school outreach at social mobility cold spots (up from half in 2018). Across all 125 employers, 78 out of 81 cold spots in England were offered some form of support with the exceptions being Hambleton, Torridge, and Waveney.

- 70% of organisations now cover travel costs for their work experience placements, compared to 60% in 2017 and 65% in 2018. Whilst the direction of travel continues to be positive here, progress is still relatively slow, and that small amount of funding is often the difference between a disadvantaged student taking up a placement or not. Income should not be a barrier to accessing work experience.

- 36% of organisations were judged to have a relatively strong link between their outreach activity and recruitment pipeline compared to 20% in 2018. However, only 12% showed a direct, sustained link between outreach and recruitment. Whilst this has gone up from 4% in 2018, it is still low overall. The percentage of organisations that were unable to show any link between their outreach and recruitment has stayed at 25% in both years.

- The number of Index organisations tracking student outcomes after they interact with them as part of their outreach work is lower at 28% of 125 employers compared to 31% of 106 employers in 2018. However, the number of organisations tracking information on student educational and career outcomes has doubled since 2017, when only 14% of organisations collected this data. We would encourage all organisations to keep in touch with young people - evidence shows that prolonged interventions are more effective - and to track their educational and career outcomes as part of the evaluation process.

Case Studies

Grant Thornton – Work experience

Grant Thornton UK have implemented a more stringent approach to informal work experience placements in the firm. CEO, David Dunckley, has signed off on new principles, as the firm believes that the informal placements that are provided for friends, family and/or client contacts do not reflect their commitment to social mobility. Commitments outlined in these principles include:

- Client contacts and/or close friends or relatives are more than welcome to apply for positions at Grant Thornton UK and will be treated in a manner that is consistent with our wider candidate pool
- It would be considered improper to exert pressure on recruiters or hiring managers in support of known contacts of clients and/or close friends or relatives for unfair advantages to be applied in a recruitment or onboarding process
- Work experience positions can be created to support local schools with which Grant Thornton UK may have relationships and to support local communities, however these positions should not be ring-fenced for known contacts of clients and/or close friends and family
- If work experience positions are created to support local schools, employees will be asked to 'match' that position for a young person from a less advantaged local school if the school being supported does not meet the thresholds set out in the firm's approach to social mobility

Enterprise Rent-a-Car – Evaluation of outreach

Enterprise Rent-A-Car evaluates its work with young people by tracking the educational outcomes of those taking part in their year-long Bridge Builders programme. For example, data gathered by one of the schools they worked with during 2017-18 indicated that 100% of the children taking part in the programme made expected or above expected progress with reading, with 38.5% making accelerated progress. For writing, 92% made expected or above expected progress for writing, with 46% making accelerated progress. 39% of pupil premium children who took part in the mentoring program achieved expected levels at the end of Year 6 in the reading and grammar tests and 46.2% of children met the expected levels for maths. Throughout the programme there are frequent touch points with the mentors, coordinators and teachers involved, enabling any feedback to be evaluated and acted upon.

SECTION 3

Routes in

- After an increase in visits to universities outside the Russell Group in 2018 (see Section 4), the picture for hires amongst Index entrants has not yet shifted in the same way. In 2019, 45% of all applications were from Russell Group students compared to 62% of all successful candidates. There has been very little change in this pattern since the Index launched. In 2017, although 43% of applications were from Russell Group students, 62% of successful candidates came from these institutions. In 2018, it was 50% of all applicants vs. 66% of successful candidates. This data is skewed somewhat by the number of Index entrants from the legal sector, which hires disproportionately from these universities.

- There are still wide disparities in recruitment practices: in professional services firms 6 in 10 hires are from Russell Group universities; in government departments/agencies it is almost 8 in 10; at law firms more than 8 in 10 hires come from Russell Group universities, with some law firms hiring over 90% from these universities even where in some cases only half of their applicants come from the institutions.

- If we then only look at organisations that submitted in 2017, 2018 and 2019, we see that there have not been any significant changes in recruitment processes in relation to the Russell Group. Across all three years, just over 70% of graduate hires came from Russell Group universities, whilst between 51% and 54% of all applicants were

Russell Group graduates. The gap between Russell Group applicants and hires is particularly noticeable amongst law firms where the percentage of graduate hires from Russell Group universities was around 85% in all three years, with just over 60% of applicants to law firms coming from the Russell Group (Fig. 4). Returning organisations in other sectors showed a decrease in Russell Group applications from 47% in 2018 to 42% in 2019, however, the percentage of Russell Group hires stayed at just below 60% across all three years (Fig. 5).

Fig. 4 — Law Firms

Fig. 5 — Other Sectors
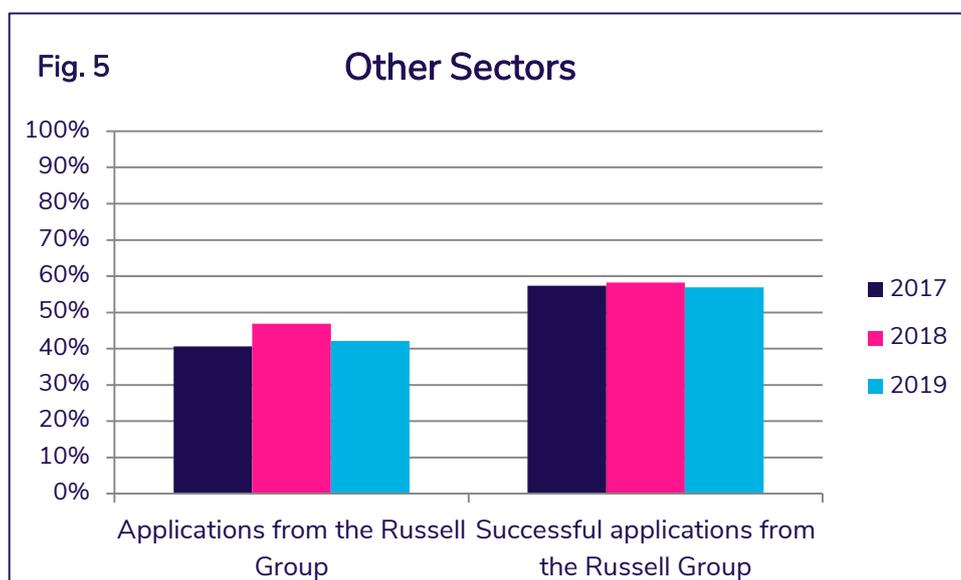
- Employers participating in the Index in 2019 on average hire graduates from 33 (22%) of the UK universities. However, for law firms, the average is 21 (14%) of the UK universities.

- Index organisations are offering over 20,000 apprenticeships for this reporting period. In 2017 (78%) and 2018 (86%), the vast majority of apprenticeships being offered were at Levels 2 and 3. In 2019, the percentage of Level 2 and 3 apprenticeships has decreased by 17% to 69%. The percentage of higher apprenticeships (L4 to L7) increased over the

last three years from 21% in 2017 to 31% in 2019. Most notably the percentage of L7 apprenticeship rose by almost 10% from 1.4% in 2018 to 11.1% in 2019. This is encouraging, as higher level apprenticeships are more likely to provide comparable progression to graduate routes. We would encourage organisations to identify the backgrounds of those taking up higher-level apprenticeships, as research suggests that those from lower socio-economic backgrounds are less likely to take up the best apprenticeships.

Case Studies

Capgemini – Apprenticeship progression

Capgemini has developed a 5-year pay and progression model which enables individuals to progress through the apprenticeship grades and salary levels at an accelerated rate, when compared to the experienced hire population.

Apprentices gain recognition for their commitment and performance, with 68% achieving promotion to the next grade in 2018, 98% remaining on the programme over the course of a 6-year period and almost 500 apprenticeship completions since 2011. Capgemini has seen apprentices reach grades and salary points within the organisation that exceed those of graduates.

During the 4.5 year degree apprenticeship, the average number of promotions is 4. One of Capgemini's apprentices who graduated in 2018 is now on their competitive "Future Leaders" development programme.

Severn Trent – Performance of graduates in role

Following Severn Trent's 2018 submission, it was suggested that as one of the organisations that recruits more students from non-Russell Group universities, that it would be interesting for them to track applicants once they are in the organisation to see if there is any difference in performance. Severn Trent found that Non-Russell Group applicants were outperforming Russell Group graduates and that they were progressing at a higher rate. When comparing appraisal grades of employees on their graduate schemes, the percentage of Non-Russell Group graduates achieving the highest appraisal score was higher when 6.41% compared with 1.28% of the Russell Groups graduates. When looking at graduates' progression, those being promoted to either middle management, or to a higher pay grade, was higher for the Non-Russell Group, population (a total of 37.6%), compared with 34.7% of Russell Group graduates.

SECTION 4

Attraction

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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

Widen your university visits beyond the traditional Russell Group targets

Or

Explore other ways to reach students at universities you can't visit

Go one step further and...

Collect data on the socio-economic backgrounds of those attending university events or accessing your resources online

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- After organisations expanded or changed the universities they chose to visit for recruitment activity from 2017 to 2018, it was positive to see that the 2019 Index matched this trend; even though it would have been good to see an even bigger diversification of universities visited. In 2019, 58% of all university visits were to Russell Group institutions compared to 70% in 2017.

- For returning law firms entering the Index, the Russell Group still made up 82% of their university visits compared to 91% in 2017 and 85% in 2018. Less than 50% of university visits made by returning employers in other sectors were made to Russell Group universities in 2018 and 2019, compared to almost 60% in 2017.

- Whilst in 2018, Birmingham and Warwick universities were visited by participating employers more than Oxford, Oxford and Cambridge were back to being the most visited universities again in 2019. This is a worrying trend due to the lack of representation at these institutions. Oxford and Cambridge are visited more than 72 universities combined, however we should note that this is down from over 110 universities combined in the 2017 Index.

- For some employers, over 90% of their university visits are still to Russell Group institutions. The table here from the 2018 Key Findings outlines why this is problematic. It uses HESA data and shows for the Russell Group universities the percentage of: state school students (column one); students whose parents have occupations in categories

4-7 for NS-SEC i.e. non- professional occupations (column 2); and students from areas of low-participation in higher education (column 3).

Case Studies

Penguin Random House UK – Reaching students not at university

As Penguin Random House have dropped their degree requirement, rather than attend university events to specifically target graduates, the publishers run JobHacks around the country that are open to anyone over 16. At these events, attendees gain an interactive and practical insight into what working in publishing is like and advice on how to enter the industry. To attract people to the event, the organisation advertises on social media and through national and regional charities, universities and colleges. To share insights from the day with those who aren't there, they share content on social channels and write blogs to summarise what goes on.

Linklaters – Using innovative ways to reach more students

Linklaters is using technology to reach students outside of the universities they visit and to encourage students to apply to the firm who may otherwise 'self –select' out.

The firm runs Meet & Engage online Q&A 'surgery' sessions that offer application and Assessment Day briefings, and campus presentations to students at campuses they do not attend in-person.

Linklaters is also working with a first-of-its-kind online internship that allows students from anywhere in the UK to experience working at a global law firm. The InsideSherpa platform offers free online internships where students can interact with virtual clients and colleagues in a way that replicates the day-to-day work of Linklaters. The platform allows students from any university, background or degree to undertake a series of modules which replicate the type of work they would do on a Vacation Scheme or Training Contract with Linklaters. Students receive video instructions from partners, and can access resources that will help them to complete tasks that reflect the day-to-day responsibilities of a commercial lawyer. The simulation allows students to put their skills and abilities into practice. In doing so, it supports students in making a more informed decision about their future career path.

So far over 5000 students from 330 institutions around the world have signed up to use the Virtual Internship.

SECTION 5

Recruitment and Selection

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

Or

Consider 'pool-hiring' or taking a 'second-look' at candidates from lower socio-economic backgrounds

Go one step further and...

Look at socio-economic background data alongside gender and ethnicity data to see whether applicants may be facing 'double-disadvantage'

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- 42% of the employers analyse their recruitment process to see where those from lower socio-economic groups fall down.

- Having added questions on intersectionality to the Index this year, we were able to show that17% of participating employers analyse whether those from lower socio-economic backgrounds who are either successful or unsuccessful in their recruitment process are disproportionately a particular gender or ethnicity.

- It was positive to see employers continue using blind or contextualised recruitment as part of their assessment process – over 30% remove the candidate names, grades and/or university from the application/screening stage of recruitment. This is important because it is commonly acknowledged that the name, academic grades or university attended of candidates can have an unduly adverse impact on the success rates of certain demographics.

- 14% of Index organisations have removed their minimum grade requirements compared to 16% in 2018. 25% put the grades of the candidates applying to them in the context of the academic performance of the school or college attended, this number has decreased from 31% in 2017 and 27% in 2018. This downward trend is a concern, as Vikki Boliver, an academic at Durham university, has explained in relation to university access:

"Just 1 per cent of children eligible for free school meals (FSM) achieve AAA or better at A-Level (or its equivalent) by age 18, compared to 20 per cent of all other children educated in English state schools. Only a quarter of FSM-eligible children achieve any A-Level equivalent qualifications at all, compared to half of all children not in receipt of FSM. If we accept that FSM-eligible children face significant economic and social obstacles to high achievement at school, it can be argued that it is not fair to set the bar for access to a top university at AAA+ for FSM and non-FSM children alike."[1]

- Compared to 2017 and 2018, a smaller proportion of organisations are scoring a candidates' degree and the university they attended as part of the recruitment process. Whilst the amount of work experience and extra-curricular activities is scored by less employers in 2018 and 2019 compared to 2017, employers are now increasingly looking at work experience specific to their sector and particular extra-curricular activities (Fig. 6). It's particularly important to not take sector specific work experience or particular extra-curricular activities into consideration, as these are often easier to access for applicants from higher socio-economic backgrounds.

- The proportion of employers scoring whether a candidate was part of any of their outreach activities has increased in 2019, however it is still lower than 20%, reflecting that only a small number of organisations have created a strong link between their outreach activities and recruitment (see Fig. 6 & Section 2).

Fig. 6 What organisations are scoring in the recruitment process

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[1] Boliver, V et al. (2017) *A more radical approach to contextualised admissions.* Higher Education Policy Institute, p.24

- In 2019, 34% of Index organisations were able to show that their recruitment process was closely linked to in-work performance or that they are in the process of creating that link, compared with 25% of the organisations from 2018 and 4% from 2017. Most of these organisations are still in the planning phase of integrating the assessment of a candidate's potential to perform in the role being recruited for into the recruitment process (2018: 11%, 2019: 27%). This shows that only very few organisations have tested their recruitment process rigorously for assessing potential, something which ought to be the fundamental purpose of a recruitment process – finding the best talent.

Case Study

JLL – Taking a 'second-look' at candidates

JLL run employability events for candidates from low socio-economic backgrounds to help them prepare for the upcoming recruitment process, as well as 'summer schools' at the end of each recruitment cycle. The summer school allows candidates from low socio-economic backgrounds, that were not successful in the previous recruitment processes, to return to the organisation and find out how to develop their application, skillset and knowledge of the industry further. This provides JLL and the candidates the opportunity to have a 'second look' ahead of the next recruitment cycle. In addition, at each interview stage of the graduate recruitment process, feedback is offered to unsuccessful candidates. This can be delivered through the summer school or employability events, or via verbal feedback from the Emerging Talent team.

> ### 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.
>
> ### Go one step further and...
> Monitor the trajectory of the socio-economic background data of your workforce
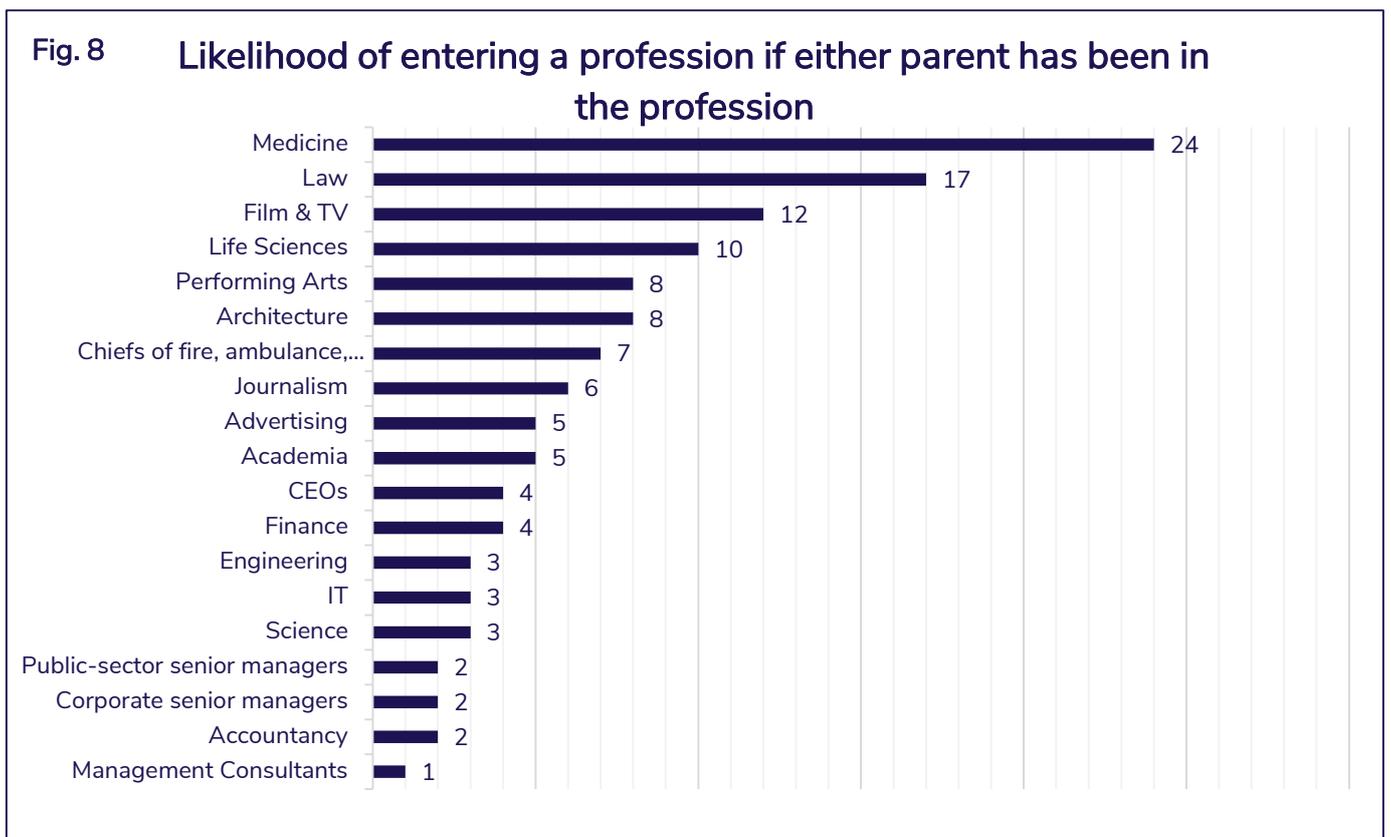> #### Or
> Consider setting completion rate targets for data collection

- 2019 saw another increase in the number of organisations collecting certain socio-economic background data, both for new entrants and for current employees, which is very encouraging. Fig 7. compares the percentage of organisations collecting this data for 2017, 2018 and 2019.

Fig. 7
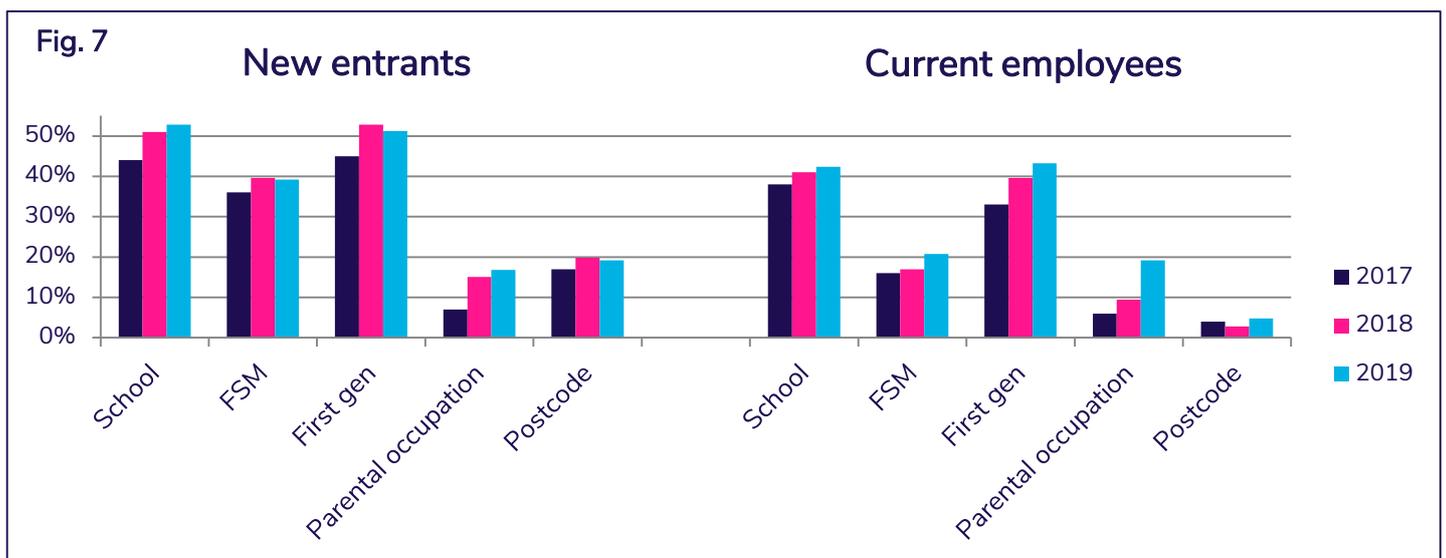
- A majority of employers ask their new employees whether or not their parents went to university (51%) or the type of school they attended (53%). Nearly 40% ask whether or not they were eligible for Free School Meals, whilst almost 20% ask new employees about the postcode they grew up in and 17% the occupation of their parents.

  Friedman and Laurison (2019) found that traditional professional occupations are often "closed" to those without access to knowledge about the profession. For example, if you have a parent who is a doctor, you are 24 times more likely to become a doctor and if you have a parent who is a lawyer, you are 17 times more likely to become a lawyer (Fig. 8).

Fig. 8 Likelihood of entering a profession if either parent has been in the profession

| Profession	Value
Medicine	24
Law	17
Film & TV	12
Life Sciences	10
Performing Arts	8
Architecture	8
Chiefs of fire, ambulance,...	7
Journalism	6
Advertising	5
Academia	5
CEOs	4
Finance	4
Engineering	3
IT	3
Science	3
Public-sector senior managers	2
Corporate senior managers	2
Accountancy	2
Management Consultants	1

Friedman, S and Laurison, D (2019) *The Class Ceiling: Why it Pays to be Privileged*

- The number of employers asking their current employees questions about their socio-economic background has increased and the percentage of employers collecting data on three or more questions on socio-economic background from their current employees rose from 18% in 2018 to over 30% in 2019. Over 40% ask their current employees if their parents attended university and the type of school they went too. About 20% collect information on the parental occupation and the previous eligibility for Free School meals of their current employees.

- It was also encouraging to see that more employers are starting to collect state school as two separate categories – selective and non-selective. This is important 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 into 1 'state school' category is likely to give an inaccurate picture of the socio-economic background of the workforce in the same way that using an overall 'BAME' category does regarding ethnicity.

- On average, 72% of new hires complete questions on their socio-economic background; for current employees the average completion rate is 48%. The completion rate has decreased for both new entrants (2018: 80%) and current employees (2018: 58%). It is important that organisations increase completion rates to these questions, as this data provides the basis on which to build your social mobility strategy.

- The vast majority of organisations do not currently publish the background data of their employees. Of the 22% of organisations that are publishing data, which is down from 27% in 2018, Fig. 9 outlines which data points they are publishing.

Fig. 9
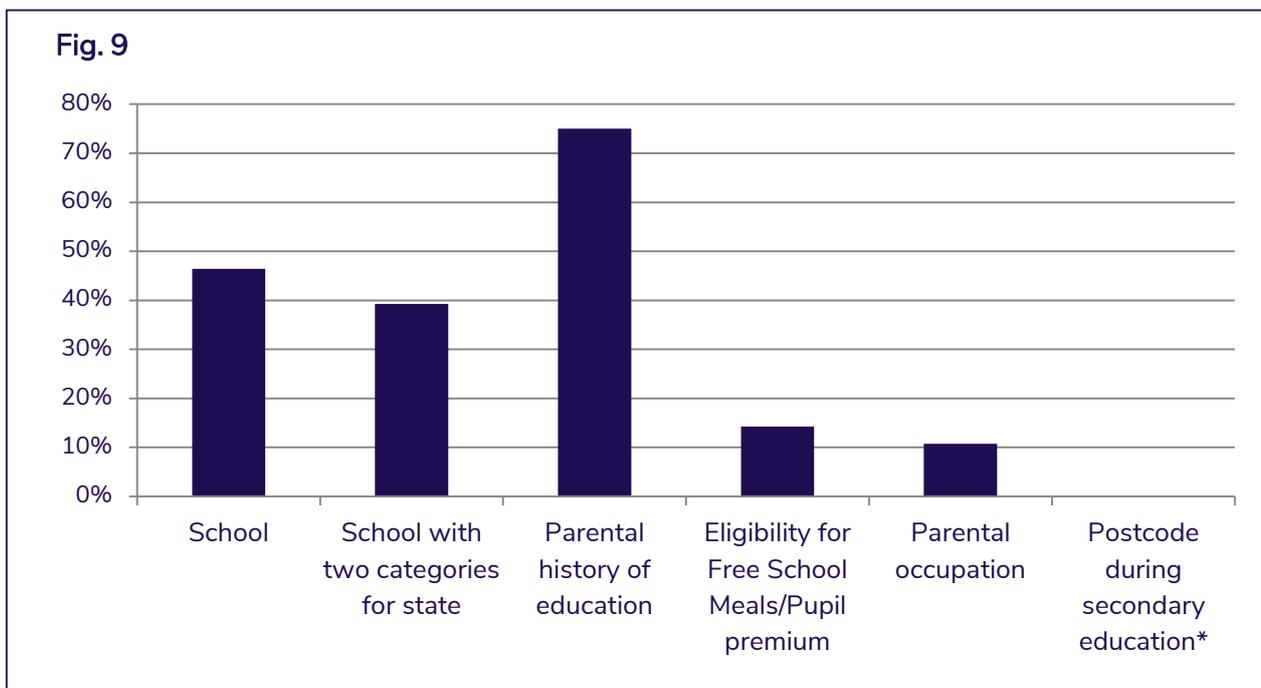
* No organisations are currently publishing data on the postcode during secondary education.

- The number of organisations that are presenting their socio-economic background data to their UK Board/Management Committees is increasing. In 2017, 37% of participating organisations were presenting this data, which increased to 40% in 2018 and is now at 46% in 2019. This is encouraging, as senior level buy-in is crucial in driving social mobility work within an organisation.

Case Studies

British Land – Collecting socio-economic background data

British Land's owes its ability to collecting high quality social mobility data to its culture and values, of which "Inclusivity" is key. Chris Grigg, CEO, notes that "*by creating an environment where people bring their whole selves to work, we help them to be more productive.*" The leadership team at British Land are committed to creating and promoting an inclusive culture, which in turn promotes staff participation in indices such as the Social Mobility Employer Index. British Land's high completion rate of social mobility questions also comes from improving its Internal Communications channels; this has ensured that all related information reaches all participating employees, including the important links between the Index and British Land's values, how the Index results will further help identify areas of continued success, and areas for further development.

Baker McKenzie – Drilling down into the data

Baker McKenzie's inclusion team have taken an evidence led approach, drilling down into the data and analysing how different groups experience the firm throughout the employee life-cycle. The challenge however is that individual socio-economic data points do not give a complete picture of an individual's social background. The firm has developed a weighting mechanism for its socio-economic data which allows them to group individuals in to four distinct socio-economic groups, based on each individual's broader socio-economic profile. They are building this weighting mechanism into existing organisational processes with the hope that this will bring socio-economic data reporting up to an equivalent level of sophistication as current gender and ethnicity analysis. This approach offers the potential to more confidently report on pay, shine a spotlight on different areas of the business, highlight trends around hires, leavers, and overall population movements, as well as unlock the potential to introduce workforce targets.

SECTION 7

Progression, Culture 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

Or

Investigate whether the culture of your organisation is welcoming to all social backgrounds by participating in the Index's employee survey or by conducting your own focus groups/study

Go one step further and...

Assess whether your organisation has a 'class pay-gap'

- Section 7 of the Employer Index was the lowest scoring section on average again in 2019. As was the case in 2018, 22% of employers collect data on retention, progression, professional qualifications and/or pay. While the number of employers collecting data on retention slightly increased compared to last year, fewer employers are collecting data on progression after an upwards trend in 2018 (Fig. 10).

Fig. 10
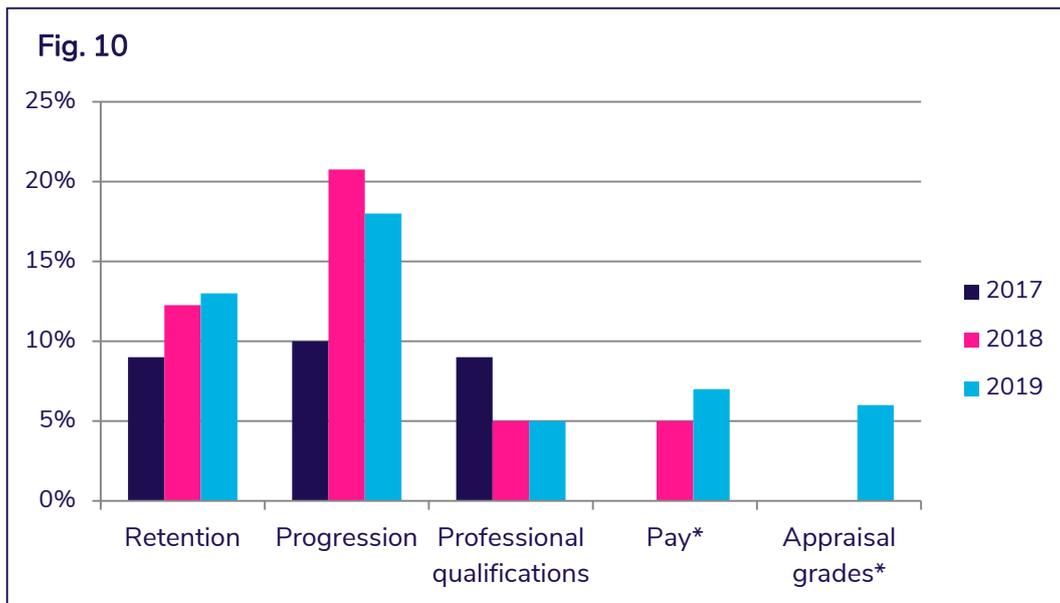
*No data was collected on appraisal grades in 2017 and 2018 and pay in 2017.

- It is still the case that the majority of organisations are not collecting this data. We would encourage employers to use data collection as a starting point for their work in this area, as collecting this data means they will be much better equipped to identify the areas their business needs to focus on.

- We also asked employers whether or not they were tracking if their organisation had a 'class' pay gap, and 7% are currently doing this compared to 5% of Index entrants in 2018. As we know from the Social Mobility Commission's 'Class Pay Gap' report, it is important to measure this data because "even when those from working-class backgrounds are similar to those from advantaged backgrounds in every way we can measure, they still face a 7% or £2242 a year pay gap in Britain's professional and managerial occupations."

- Of the 22% of employers that are collecting data on retention, progression, professional qualifications and/or pay, 37% analyse if those who may have different results are disproportionately a particular gender or ethnicity.

- There has been a positive upwards trend in employers requesting shortlists for experienced hire roles include candidates from under-represented socio-economic backgrounds. 21% of employers now ask external recruiters to see a diverse range of candidates on socio-economic background compared to 12% in 2018 and 14% in 2017.

- An increasing number of employers have a strategy in place for improving retention or progression for those from lower socio-economic backgrounds. Whilst in 2018, 12% of Index entrants had a strategy in place, 21% of entrants in 2019 do.

- Only 17% of employers have examined the role of internal sponsors within their organisation (i.e. senior staff who support the career progression of more junior staff) to see whether junior staff from lower socio-economic backgrounds receive a comparable level of sponsorship or work allocation to those from more advantaged backgrounds. Whilst junior colleagues will develop working relationships with senior ones naturally, it is increasingly understood that this can lead to those from more privileged backgrounds getting a faster rate of progression because they have a shared social/cultural background with influential senior people in the organisation and are sponsored accordingly. It is therefore important that organisations take steps to level the playing field for sponsorship/mentoring to ensure that the opportunities to make connections are not largely informal i.e. through sports teams, trips abroad, etc. and that those from all backgrounds have a mechanism by which they can interact with senior people in your organisation and find people that can mentor them.

- 38% of participating employers examine whether those from lower socio-economic backgrounds feel that the culture of their workplace is welcoming to them as well as to other under-represented groups. We encourage all organisations to examine whether the culture of their workplace is seen as welcoming if you are, in shorthand, from a working class background rather than a middle class one, as those who have looked at this are finding staff who are quietly feeling uncomfortable and sometimes leave as a result.

- 60% of Index organisations currently offer financial incentives to employees who recommend a candidate who is then hired; this number did not change compared to 2018. This practice should be treated with caution, as it could be mitigating against efforts to diversify the organisation by giving weight to personal networks. We'd encourage organisations to monitor the backgrounds of employees coming into their organisation in this way.

Case Studies

PwC – Progression

PwC have been tracking the socio-economic background of their employees for several years, focussing on four questions measuring socio-economic background - school type, parental occupation, parental education and free school meals. They have analysed the progression and retention of their staff by all four of these measures, ethnicity and gender for the proportion of employees for whom they have this data by matching it with promotion and leavers data from their HR system. Their progression data shows that across most of the measures of socio-economic background, people working for PwC from less privileged backgrounds are promoted roughly at the same or at a slightly lower than average rate. This varies by grade across the business. PwC are committed to gaining more socio-economic background data on their employees as well as tracking the performance and progression of employees more closely, which is why they have just launched a firm-wide survey to their UK workforce. This involved an email sent directly from an Executive Board member to all 20,000+ employees, and ongoing social mobility related internal communication messages to increase the proportion of PwC employees for whom they have socio-economic background data.

KPMG – Understanding the socio-economic background pay gap

In 2016 KPMG became the first UK business to publish comprehensive data on the socio-economic background of its workforce. Over the past two years, KPMG has been using available data to start analysing the pay gap between employees from a higher socio-economic background versus other socio-economic backgrounds, following methodology as recommended by Dr Sam Friedman. Taking guidance from the Bridge Group, the firm uses parental occupation as the widely acknowledged strongest indicator of socio-economic background to conduct this analysis.

The pay gap analysis has enabled the firm to understand in more detail where further action is needed, particularly when broken down by grade. With a current response rate to parental occupation questions standing at 63%, KPMG has committed publically to setting a Socio-Economic Background target – to complement those which they have already published on Gender, Ethnicity, Disability and LGBT – once the response rate is at 75%. The firm is also committed to working with thought-leaders, policy-makers and other organisations on the development of a common approach to measuring the socio-economic background pay gap.

SECTION 8

Advocacy

What we are looking for

Action to engage staff and your suppliers/clients in your organisation's efforts to improve social mobility

If you only do one thing

Talk to employees about why your organisation is taking action on social mobility – to help you find the best talent

Or

Encourage your supply-chains to take action on social mobility

Go one step further and...

Implement a social mobility strategy

- One of the most significant findings of the 2018 Index was that having a workforce that is diverse in terms of social background is becoming increasingly important to the majority of employers. This trend has been confirmed by the 2019 Index.

- 85% of respondents to a question about client priorities said that they feel their clients care about the socio-economic diversity of their organisation's workforce – close to those saying race (96%) and gender (99%). Even when organisations who did not answer the question are included, 63% of all Index organisations said socio-economic background compared to 71% saying race and 74% saying gender. This is an increase from last year, when 74% (48%) considered socio-economic diversity to be a priority for their clients. In 2019, social mobility has been attributed the same importance by employers as gender was in 2018 (Fig. 11).

Fig. 11   Our clients care about:

- The percentage of employers setting social mobility targets increased from 21% in 2017 and 2018 to 28% in 2019. However, at the same time, less employers now encourage firms in their supply chain to take action on social mobility, with the number decreasing from 44% in 2018 to 36% in 2019. Given the purchasing power represented in the 125 Index employers, we would strongly encourage more organisations to view this as a key part of their social mobility strategy.

- Whilst in 2017, we found that more Index organisations were engaging in external advocacy around social mobility rather than in discussing it internally, the topic is now equally addressed internally and externally. The number of employers encouraging employees to share their social mobility stories within the organisation decreased slightly in 2019 to 62%, but is still higher than the 45% of organisations doing this when the Index started. The number of organisations sharing what they do on social mobility with other organisations has risen from 61% in 2018 to 63% in 2019 (Fig. 12).

Fig. 12

Legend: 2017, 2018, 2019

Categories: Encouraging employees to share their social mobility stories; Sharing changes made with other organisations

Case Studies

Aviva – Internal Advocacy

Aviva has been encouraging employees to act as role models for those in Aviva, or entering Aviva. This is done through a number of ways including:

- An Origins Community (Employee Resource Group), which celebrates and champions people from different socio-economic backgrounds as well as race, ethnicity and religion. The community regularly shares updates and stories via our intranet and social media.
- Employees from lower socio-economic backgrounds who have often joined Aviva via social mobility partnerships tell their stories via videos, which are shared on their career website, internal channels and public social media accounts.
- Aviva's Origins Community and Origins internship is sponsored by two members of the Aviva Leadership Team, Chetan Singh and Euan Morris. They have helped champion social mobility across Aviva through their work with Origins, but also through video addresses and events to all staff, in which they talk about the importance of social mobility and equal opportunity.

Ministry of Justice – Strategic plan

The Ministry of Justice (MoJ) have a three-year vision outlined in a 2019-22 Social Mobility Strategic Plan, which includes advocating for social mobility across the Civil Service and encouraging suppliers to take action on social mobility.

MoJ's Head of Social Mobility has consulted on social mobility initiatives with leaders at HMRC, Home Office, MoD, FCO, DfID, Treasury, Judicial Office, Department for International Trade and Jacobs. At five Social Mobility Live events in November 2018, MoJ engaged with over 400 Civil Service delegates and partners from other organisations, including Grant Thornton, Middlesex and Nottingham Trent universities, EY Foundation, Timpson Group and Glasgow Council.

MoJ Commercial has redrafted its Equality and Diversity policy for procurement to include a commitment to social mobility in tender documentation. This approach has been shared with other public-sector bodies, who have expressed a commitment to influence their supply chains. An example of this is HMP Berwyn, in North Wales, where MoJ committed to deliver a construction project that engaged the local community, helping it to achieve economic growth through infrastructure investment.

APPENDIX

2020 Timeline

If you are interested in making a submission to the Social Mobility Employer Index 2020, please visit www.socialmobility.org.uk/Index for more information or email the team at employerindex@socialmobility.org.uk.

- **20th February 2020**   Employer Index and Employee Survey open
- **22nd May 2020**   Closing Date to submissions
- **Autumn 2020**   Individual feedback reports sent to employers and Top 75 published

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; recruitment and selection methods; data collection; progression, culture and experienced hires; 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 75 are thus those taking the most action on social mobility and not the 75 that are already the most representative of the country at large.

Employee survey questions

Social Mobility Employer Index: Employee survey 2019

Organisation name:*

Organisation code:

Job level (e.g. Manager):

Type of school attended:*

( ) Non selective state school (Comprehensive)

( ) Selective state school (Grammar)

( ) Private school

( ) Non-UK school

( ) Other

( ) Prefer not to say

I would consider myself to be from a:

( ) Working class background

( ) Middle class background

( ) Upper class background

( ) Prefer not to say

1. My organisation is open to talent from all class backgrounds.

( ) Agree

( ) Not sure / Prefer not to say

( ) Disagree

2. I am comfortable openly discussing my class background with my colleagues.

( ) Agree

( ) Not sure / Prefer not to say

( ) Disagree

3. I feel I have to hide my class background to get ahead in the workplace.

( ) Agree

( ) Not sure / Prefer not to say

( ) Disagree

4. People get ahead at my workplace because of who they know.

( ) Agree

( ) Not sure / Prefer not to say

( ) Disagree

5. The workplace culture in my organisation is inclusive of all class backgrounds.

( ) Agree

( ) Not sure / Prefer not to say

( ) Disagree

6. I feel out of place at work as I don't have the same background as the majority of employees.

( ) Agree

( ) Not sure / Prefer not to say

( ) Disagree

7. I have not experienced barriers to career progression in my workplace due to my class background.

( ) Agree

( ) Not sure / Prefer not to say

( ) Disagree

8. Our senior leadership is committed to improving the socio-economic diversity of our workforce.

( ) Agree

( ) Not sure / Prefer not to say

( ) Disagree

Any other comments: