



EMPL_YER INDEX REPORT 2_21



Contents

Top 75 Employers	04	01 Work with Young People	18
Foreword	06	02 Routes into the Employer	24
Overview	08	03 Attraction	30
Executive Summary	10	04 Recruitment and Selection	32
Employee Survey	14	05 Data Collection	36
		06 Progression, Culture and Experienced Hires	40
		07 Advocacy	43



Appendix A:	
Index Methodology	46
Appendix B:	
Employee Survey Questions	48

Top 75 employers

01	Browne Jacobson	17	DLA Piper
02	KPMG	18	Santander
03	Herbert Smith Freehills LLP	19	Baker McKenzie
04	Grant Thornton UK LLP	20	Department for Work and Pensions
05	Severn Trent	21	Aviva plc
06	PwC	22	Civil Service Fast Stream and Emerging Talent
07	Accenture	23	Cabinet Office
08	HMRC	24	Allen & Overy
09	Bryan Cave Leighton Paisner LLP	25	Capgemini UK
10	Enterprise Rent-A-Car	26	Crown Prosecution Service
11	Ministry of Justice	27	Slaughter and May
12	Deloitte	28	Linklaters LLP
13	CMS	29	DfT
14	Penguin Random House UK	30	Pinsent Masons LLP
15	Squire Patton Boggs	31	BBC
16	Department for Levelling Up, Housing and Communities	32	Sparta Global Limited

33	BEIS	55	Department for Digital, Culture, Media & Sport
34	Lewis Silkin LLP	56	Burges Salmon
35	Hogan Lovells	57	FDM Group Ltd
36	Legal & General	58	Department for Education
37	Freshfields Bruckhaus Deringer	59	Addleshaw Goddard LLP
38	Jones Laing Lasalle	60	Mears Group plc
39	MI6	61	The British Land Company PLC
40	City of London Corporation	62	Radcliffe Chambers
41	Phoenix Group	63	RPC LLP
42	Shoosmiths	64	abrdn
43	Simmons & Simmons	65	GCHQ
44	Brodies LLP	66	St. James's Place Wealth Management
45	Fujitsu	67	Taylor Wessing LLP
46	Home Office	68	Mishcon de Reya LLP
47	Eversheds Sutherland LLP	69	Ashurst
48	Osborne Clarke	70	White & Case LLP
49	Goldman Sachs	71	Schroders
50	Shepherd and Wedderburn	72	Auto Trader UK
51	DWF Law LLP	73	NEWTON EUROPE
52	Macfarlanes LLP	74	Mayer Brown
53	Clyde & Co LLP	75	Lloyd's
54	MI5		

Foreword



This is the fifth year we have published the Social Mobility Employer Index.

In that time it has become the authority on employer-led social mobility: growing from 98 entrants to 203 this year. In total this year's entrants employ 1.35m people. Over those five years employers have taken significant strides forward in their social mobility practices, guided by the counsel provided by the Social Mobility Foundation.

These are welcome developments. They are also more necessary than ever. The pandemic has exposed and exacerbated deep inequities in our society. If older people have been on the health frontline of the pandemic it is the young who seem doomed to suffer the biggest economic and social consequences. More than half of under-25s had been furloughed or lost their jobs by last June. Half a million of them are currently unemployed. In schools, the disruption caused by Covid has put poorer children seven months behind their more privileged peers at school. Grandparents and parents alike are concerned that the social progress they enjoyed will not be repeated for this and future generations of young people. They are right to be worried. There is a very real risk that already anaemic levels of social mobility will go into reverse as a consequence of Covid. Britain cannot afford a lost generation if we are to have any chance of levelling up our country.

Thankfully more and more employers are stepping up to the plate. The growth in the Index – especially the number of firms within sectors that have typically struggled with socioeconomic diversity – demonstrates that social mobility is no longer a niche interest. Instead, it has rightly become a core aspect of the diversity and inclusion agenda. The focus on the S in ESG has been sharpened. This is timely, given the growing public expectation that employers will play a role in solving the biggest challenges facing society.

I want to thank all the employers who entered the Index this year given the continued uncertainty and disruption they undoubtedly face. Spurred on by successive lockdowns, some employers have innovated in their

social mobility practices, such as rethinking outreach activity and university visits. The private businesses and public sector organisations in this year's Index are taking practical action of their own to level up Britain. They are ringfencing more internships for young people from lower socioeconomic backgrounds, adding social mobility sponsors at board level and working with clients to improve socioeconomic diversity in the supply chain.

In other areas of social mobility practice, however, there has been a lack of progress – particularly the lack of targeted interventions in social mobility geographical cold spots. More work is needed too on career progression, socioeconomic background data collection, training for managers and engagement with external recruitment support. Higher-level apprenticeships, long heralded as the silver bullet for social mobility, are offered by fewer employers in this year's Index and evidence is growing that they risk becoming the preserve of the middle-classes.

There is clearly still a long road ahead. Looking to the next five years, social mobility cold spots must be an unrelenting focus for employers alongside government. There can be no levelling-up if such deep geographical inequity persists. In addition, persistently unrepresented sectors, such as tech, must follow the lead of those newly represented this year, like leisure, sport and tourism, if we are to rescue the fraying promise of a meritocratic society.

More and more employers are committed to playing their part. A particular thank you and congratulations to the 38 firms who have participated in every year of the Index. I hope these firms have their sights set on ten years of participation, and that newer entrants take inspiration from such long-term commitment to creating more social mobility. All of the employers represented in the Index are showing that it is possible to create a society where it is not background or birth but aptitude and ability that dictate progress in life. They are proving it is possible to build back better.

Rt Hon. Alan Milburn
Chair, The Social Mobility Foundation

Overview

This report outlines the key findings from the 2021 Social Mobility Employer Index.

The Index has become the authority on employer-led social mobility since its creation in 2017, growing from 98 entrants to 203 this year. The employers represented in the 2021 Index collectively employ 1.35m people.

Seven key areas that drive social mobility in employer practice are assessed as part of the Index process. Our key findings across each area are set out below, along with our main recommendations for employers across the UK. Further detail is included in each chapter.

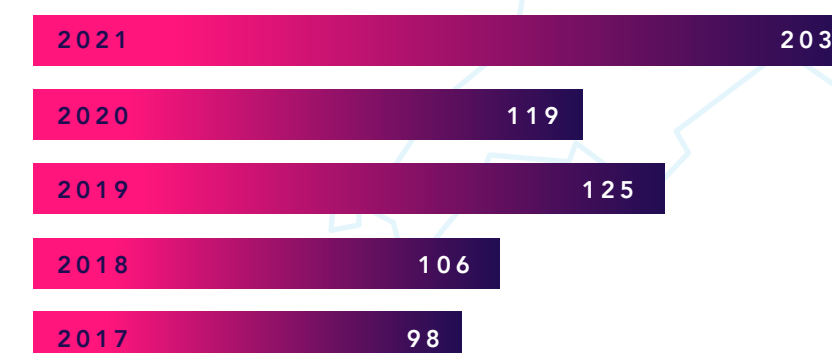


Social mobility cold spots

This term is used throughout the report to describe areas where social mobility is at its lowest. In these areas, people from lower socioeconomic backgrounds are much less likely to have the same opportunities as their better-off peers. This map indicates the 'coldest' of these areas as identified by the Social Mobility Commission.

Full list: Barrow-in-Furness, Blackburn with Darwen, Blackpool, Bolton, Bradford, Chiltern, Dudley, Fenland, Gateshead, Hyndburn, Kingston-Upon-Hull, Kirklees, Mansfield, North East Lincolnshire, Oldham, Pendle, Rochdale, Rotherham, St. Helens, Stockton-on-Tees, Thanet, Walsall, Wolverhampton, Wigan.

Number of entrants



93

NEW

110

RETURNING

38

PARTICIPATED
FOR ALL 5 YEARS

Executive Summary

Index Participation and Employee Survey

We received 93 submissions from new employers who had never previously taken part in the Index, and 110 from those who had taken part in previous years. There were 38 organisations who had taken part in all five years.

This year we have seen a different demographic of entrants to the Index. On average, first-time entrants were smaller than returning organisations, with an average workforce of around 4,000 staff, compared to returning entrants whose average is almost 9,000.

It is excellent to see the growth in diversity of employers, as it reflects a widening understanding of the challenges around socioeconomic diversity. However, the changing demographic makes it difficult to compare some year-on-year statistics and we have indicated where this applies.

The most represented sectors in the Index are unchanged from 2020. Law made up 25% of entries (down from 30% last year); banking, financial services and insurance made up 18% (unchanged from last year), while the public sector made up another 16% (down from 22%).

In general, returning organisations were more likely to be following our recommended best practice. For example, we recommend collecting data on socioeconomic background, and returning organisations were two and a half times as likely to be doing so, three times as likely to collect data on parental occupation – our recommended main metric – and four times as likely to be collecting three or more data points.

Nevertheless, highly represented sectors are not always those which are the highest performers. Law firms, for example, continue to disproportionately hire from Russell Group universities. This year, Russell Group graduates were three times as likely to be successful when applying to a law firm as those from other universities.

We also seek employee engagement through an optional employee survey. This year saw 12,681 employee responses from 49 employers, with a response rate of 20%. In the main, employees have reported broadly positive perceptions of the inclusiveness of their organisations, across a range of questions, over the past five years. However, employees working in the public sector were the least likely to respond positively to all questions which indicates that there is more work to be done to create an inclusive workplace culture.



Key recommendations

Investigate whether the culture of your organisation is welcoming to all social backgrounds by participating in the Index's employee survey

Index entrants should encourage others in their sector and beyond to submit to the 2022 Index

01 Work with Young People

In total, almost 33,000 young people were reached through work experience programmes across 117 organisations. This is a significant increase on all previous years, which may be explained by higher numbers of Index entrants, but also supports comments from employers that being able to deliver work experience virtually has allowed them to reach a larger number of young people.

The percentage of young people participating in outreach who were eligible for free school meals (FSM) was at a five-year high of 58%, which is positive. Yet just 55% of employers were conducting outreach work in social mobility cold spots – down 5 percentage points from 2020; indicating a clear need for employers to better target outreach work.

Of the employers in the Index, 76% moved some or all outreach activity online, showing an ability to innovate rapidly. 89% of those employers are planning to run a blend of both in-person and virtual outreach in the future, even when government guidelines allow in-person work.

One downside was the number of employers who did not provide all the necessary technological support for those taking part in work experience. Some technology was more likely to be provided than others. Only 45% of organisations provided Wi-Fi routers, for example, whereas 72% offered laptops.



Key recommendations

Collect socioeconomic background data on the young people you are engaging with

Flag students from your outreach work in your recruitment process

Link your outreach to recruitment through sustained contact, tracking and support

Consider digital accessibility when delivering virtual outreach, i.e. laptops and internet connectivity

02 Routes into the Employer

This year, a lower percentage of employers offered routes into employment for apprentices, school leavers and graduates. This is a potential cause for concern, although it may chiefly reflect the smaller average size of an entrant this year, as well as the decision of several employers to suspend one or more programmes due to Covid-19.

Yet it is encouraging that, across all three entry routes, record intakes from lower socioeconomic backgrounds have been reported (compared with the previous four years). This may suggest that targeting is improving, or may indicate that some of the sectors newly represented in the Index are more likely to have historically employed individuals from lower socioeconomic backgrounds.

We saw 63% of employers offering internships in 2021, down from 85% in 2020, which may reflect changing hiring patterns due to the longer-term impacts of Covid-19; a number of employers said they had suspended internships for the year. Encouragingly, the number of employers ringfencing internships for young people from lower socioeconomic backgrounds increased to 37% (of firms offering internships, not overall Index participants; up from 29% in 2020).

A significant number of employers are recruiting only from a small number of universities, relative to their size, and it remains true in 2021 that Russell Group applicants have a significantly higher success rate when applying to graduate schemes than their non-Russell Group peers.



Key recommendations

Review the socioeconomic background of each intake, in particular apprenticeships, to ensure that it is having the desired impact and improving the diversity of your recruitment pool

Offer paid, structured internships which involve a rigorous selection process and provide a reference at the end

Ringfence internships for individuals from a lower socioeconomic background (SEB), using a good range of criteria (first generation; FSM; parental occupation)

03 Attraction

The impact of Covid-19 does not seem to have led to a drop in university visits. Around 18% of employers visited more universities in 2021, while 28% visited a similar number to previous years and 15% visited fewer universities. The remaining 39% either did not have graduate schemes, did not visit any universities or chose not to provide data.

Yet, while visits were up, 2021 saw the lowest number of different universities visited in any year since 2017, at 123 (down from 129 in 2020). Cambridge remained the most-visited university, and Oxford and Cambridge were visited more than 64 other universities combined.

While many employers were keen to highlight the benefits of delivering universities visits online, such as lower costs and wider reach, other employers spoke of the difficulties in engaging with universities who did not have the technical capability to deliver virtual visits. This caused long delays to setting up visits and, in some cases, meant that employers were not able to visit certain universities at all.

Many employers said they were likely to move to a hybrid model involving some in-person and some virtual visits. It would be damaging if this leads to a two-tier system where Russell Group universities are visited in person, while other universities must make do with virtual visits.



Key recommendations

Ensure that you achieve a good balance of Russell Group (RG) and non-Russell Group (non-RG) university visits

Track the conversion rate of RG/non-RG applicants to acceptances to ensure that the balance is maintained through the recruitment process, and that it is translating into a more diverse recruitment pool

04 Recruitment and Selection

In 2021, the clear majority of Index employers – 78% – are still recruiting with minimum grade requirements, although it is encouraging that more have at least analysed the rationale for doing so.

Just 25% of employers flagged students with certain socioeconomic background characteristics in the recruitment process; 42% of employers analysed their recruitment processes to see where applicants from low socioeconomic backgrounds fell down; and only 42% of organisations who look at grades during the recruitment process put these into the context of the school or university a candidate attended. These elements are essential to enable employers to identify and challenge recruitment processes that favour more privileged applicants.

A higher number of organisations than previously scored ‘being from an under-represented group’ on applications (17%), though more organisations were also scoring ‘amount of work experience’ (35% and ‘extra-curricular activities’ (7%), which is more disappointing.



Key recommendations

Ensure you have a well-structured non-graduate route

Monitor the recruitment process to identify whether there are particular stages at which those from lower socioeconomic backgrounds fall down

05 Data Collection

Many organisations are not collecting any socioeconomic data about their workforce, with 44% not collecting data from their current employees, 51% not collecting data from new entrants and 65% not collecting data from unsuccessful applicants. Just 22% of employers were publishing data on the socioeconomic profile of their workforce externally – down from 29% in 2020. And only 49% of employers presented their socioeconomic background data at board level, down from 52% last year. Given the importance of collecting data in setting a baseline and measuring progress, this is a concern.



Key recommendations

Collect socioeconomic background data for new and current employees, consisting of at least three data points

Collect socioeconomic background data for unsuccessful applicants to give you an accurate picture of the recruitment process

Publish your data and, to ensure the data set is robust, consider setting completion rate targets



Key recommendations

Start to collect data on retention and progression at your organisation using socioeconomic metrics

Assess whether your organisation has a class pay gap

07 Advocacy

Twice as many employers reported that their organisational approach to social mobility was being dealt with at board level in 2021 – 20%, up from 10% in 2020.

Advocacy work with clients and suppliers is improving. Around half (49%) of all organisations work with their clients to improve social mobility – the highest percentage in the past four years (7 percentage points higher than in 2020). However, employers continued to report that their clients are more likely to care about the gender or racial diversity of their workforce, rather than socioeconomic diversity. Finally, we saw that 36% of employers now set targets on social mobility, and in most of those cases, the targets are monitored at board level.



Key recommendations

Encourage employees to share their own social mobility stories

Develop and implement a social mobility strategy and publicly advocate for change in your sector



Employee Survey

The Employee Survey was introduced to the Employer Index in 2018.

The survey provides wider context on the workplace culture of submitting organisations in addition to data submitted by their employers but is not compulsory. In 2021, an additional question was added to the four we have asked previously, to determine how accessible employees felt their employer had made remote working to employees from all class backgrounds during the Covid-19 pandemic.



More employers participated in the survey in 2021, although as a percentage of the total only 24% of Index participants took part, compared to 33% in 2020.

This resulted in 12,681 employee responses from 49 employers. Another encouraging sign was the average response rate for each employer at 20% (up from 14% in 2020).

The most commonly represented sector was law (32%) followed by the public sector (29%) and professional services (22%). And larger employers were more likely to respond. More than half the organisations with over 10,000 staff took part, compared to just a fifth of organisations with less than 5,000 staff.

It appears that while progress has been made, working-class employees still feel less comfortable than their middle-class peers in the workplace – particularly in the public sector.

However, the relatively low engagement rates must be factored into findings and do not allow us to make definitive conclusions.



Key Findings

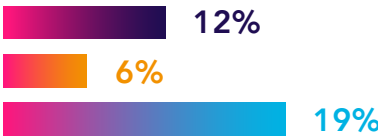
% who responded 'agree'



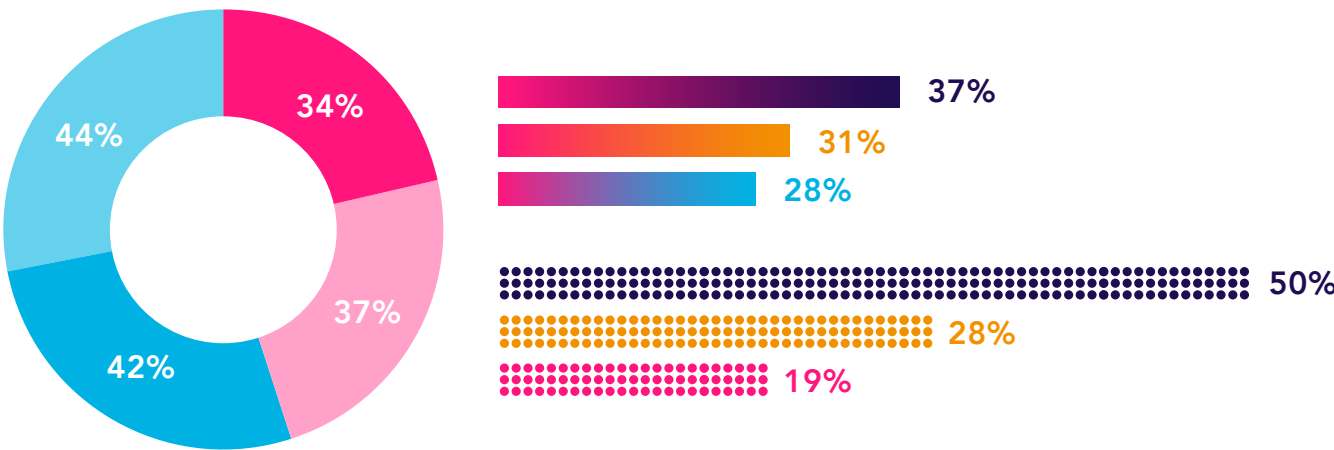
'My organisation is open to talent from all class backgrounds'



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



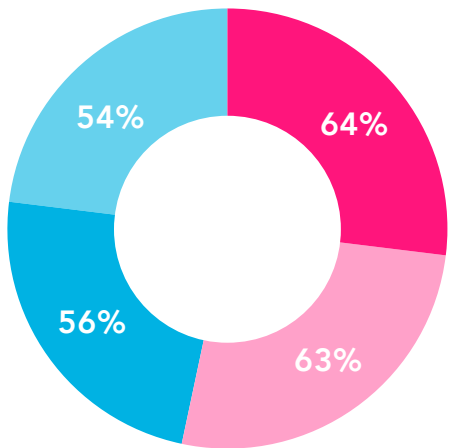
'People get ahead at my workplace because of who they know'



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



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

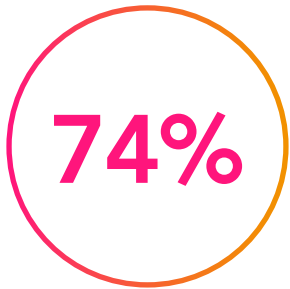


'I have not experienced barriers to career progression in my workplace due to my class background'



New question in 2021:

'My organisation is doing enough to ensure that remote working is accessible to employees of all levels from all class backgrounds during the Covid-19 pandemic'



01 Work with Young People

This chapter reviews how effectively employers target young people from lower socioeconomic backgrounds, and whether employer outreach provides accessible routes into their profession for those with an interest and the aptitude.

The Index recognises employers that are moving towards well-targeted and well-evaluated employability programmes that are accessible to all.

This year's results showed an extremely positive rebound in the number of young people reached through employers' outreach activities. More than 5.42 million students benefited from school outreach from 115 organisations. The figure is still down slightly on 2019, where the number was 5.62 million, but is still highly encouraging, compared to the 939,000 reached in 2020 at the height of the Covid pandemic.

Many firms in this year's Index tackled the pandemic by moving to virtual outreach work, with over half moving all outreach work online during the 2021 reporting period. And the trend looks likely to continue after the pandemic. Among organisations that delivered online outreach this year, 89% say they will deliver both in person and online outreach from now on.

It is disappointing that outreach is still not often targeted at social mobility cold spots. These areas have been badly hit by the pandemic and support here can make a huge difference to individuals and help level up the UK, but only 55% of employers in this year's Index are carrying out outreach work in social mobility cold spots – the second-lowest percentage in the last four years.

This year also saw a low percentage of organisations flagging students from their outreach work in their recruitment processes. Only 22% of organisations did so, compared with 35% in 2020 and 49% in 2019. Similarly, only 24% tracked educational outcomes – an 11 percentage point fall compared to 2020, and the second-lowest percentage since the Index started (14% in 2017).

Among those who did flag students, results were very positive; 68% are successful in getting those students into their recruitment pipeline, and 54% are successful getting them into permanent roles. This highlights how successful these outreach pipelines can be, and we urge all Index employers to flag students and track their progress.

This is important because Index entrants are still falling down on a key goal of the outreach process – creating a recruitment pipeline. In this year's Index, just 10% of employers managed to show a direct and sustained link between outreach and recruitment, which is the same as in 2020, and 2 percentage points lower than in 2019. Only 31% of employers were able to demonstrate a relatively strong link, less than in 2020 (35%) and 2019 (36%). We would urge employers to focus on strengthening the link between their outreach and support for young people, and their recruitment programmes.



Case study: Enterprise Rent-A-Car

Enterprise Rent-A-Car feed data from their work with young people into their applicant tracking system. They gather information from young people when they register for outreach and events, and send them useful employability content and job opportunities, and track them from event to hire.

Enterprise encourages sign-ups to their events by listing them on their careers site, launching targeted campaigns, and working with partner organisations. Everyone registering on the events platform is automatically invited to a virtual drop-in information session with the talent acquisition team, where any employability questions they have can be answered – a process which Enterprise says has led to a 10% increase in conversion from sign-up to application.

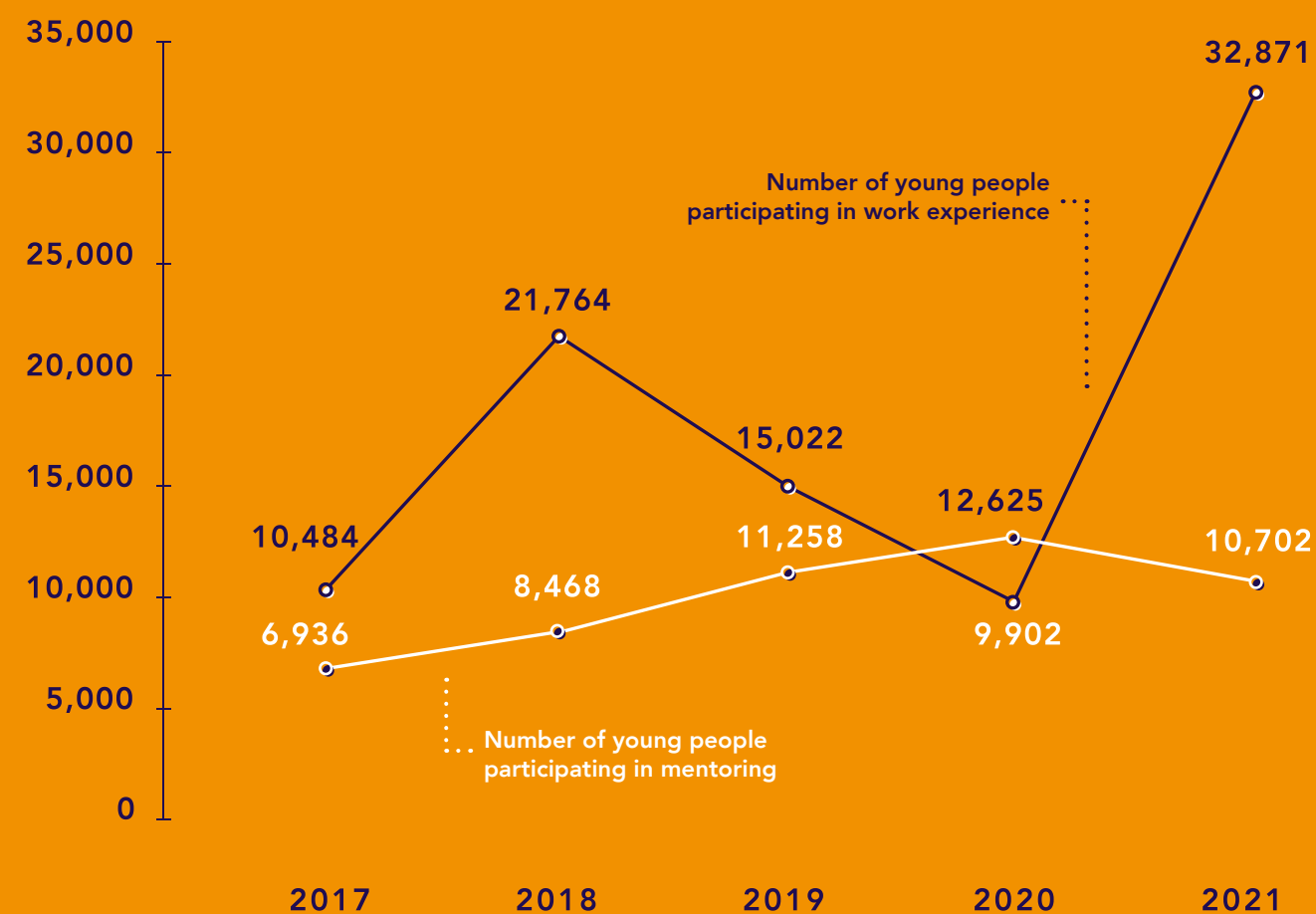


Case study: Mishcon de Reya

Mishcon de Reya ran virtual events with partners such as the Social Mobility Business Partnership, MyKindaFuture and UpTree, specifically designed to inform students about their apprenticeship programmes. In its events, staff shared application hints and tips, and charity partners followed up with more information, including application deadlines.

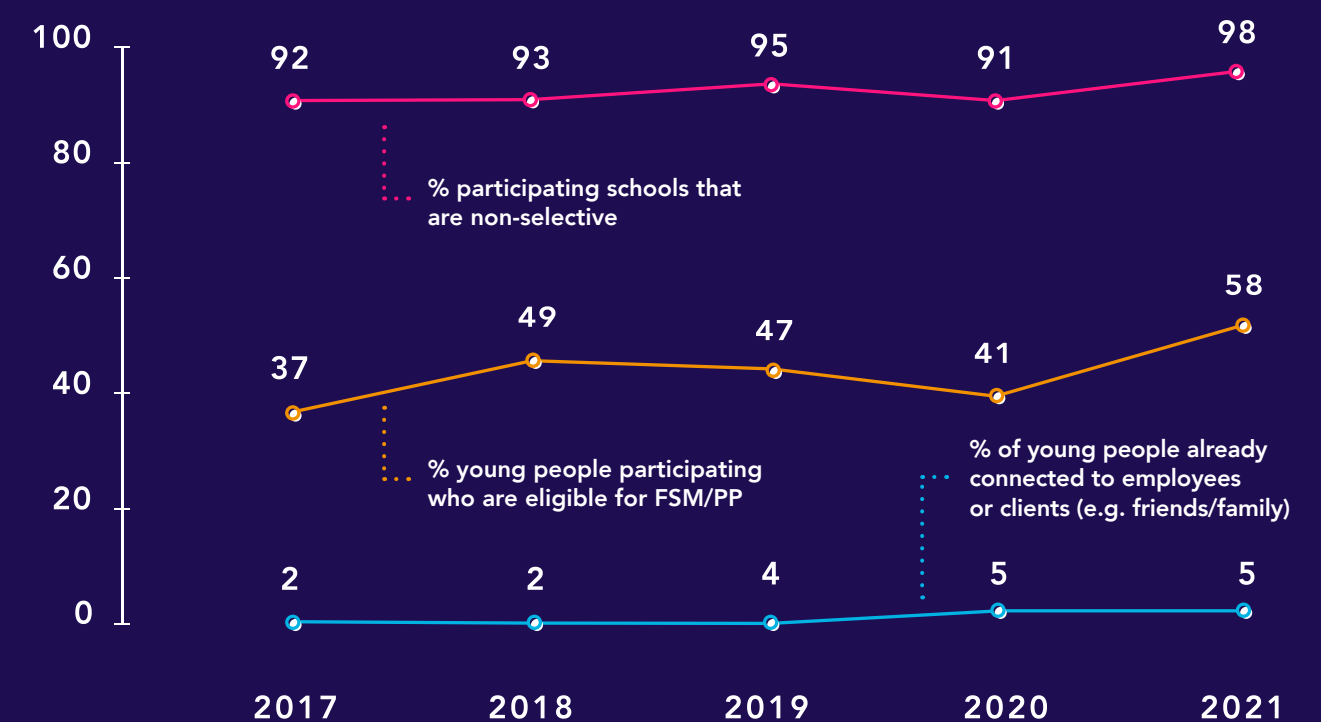
Individuals who didn't get an offer, and were identified as from a lower socioeconomic background, were invited to a mentoring programme which allowed them to work with a Mishcon lawyer and develop a plan for successful applications in the future.

Number of young people reached through mentoring and work experience



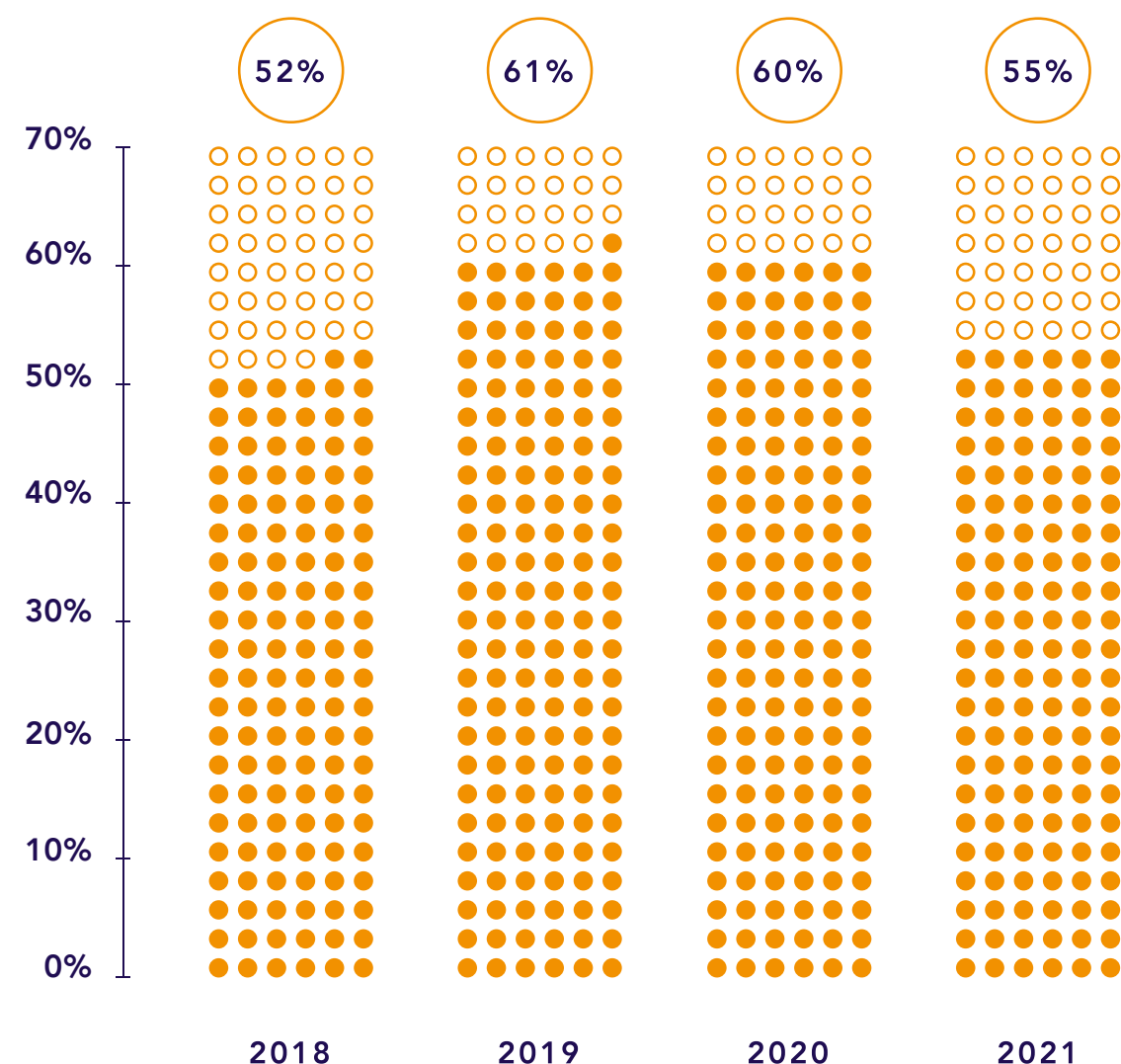
SEB characteristics of schools and young people participating in outreach activity

% of schools/young people participating in schools outreach by SEB criteria across all orgs who offer school outreach



Cold-spot targeting

% of employers targeting cold-spots



If you
only do



thing

Implement a more stringent approach to informal work experience placements that opens them to everyone – not just friends and family of existing employees.

Go
1 step



further

Link outreach to recruitment through sustained contact, tracking and support.

Experiences of education during Covid-19

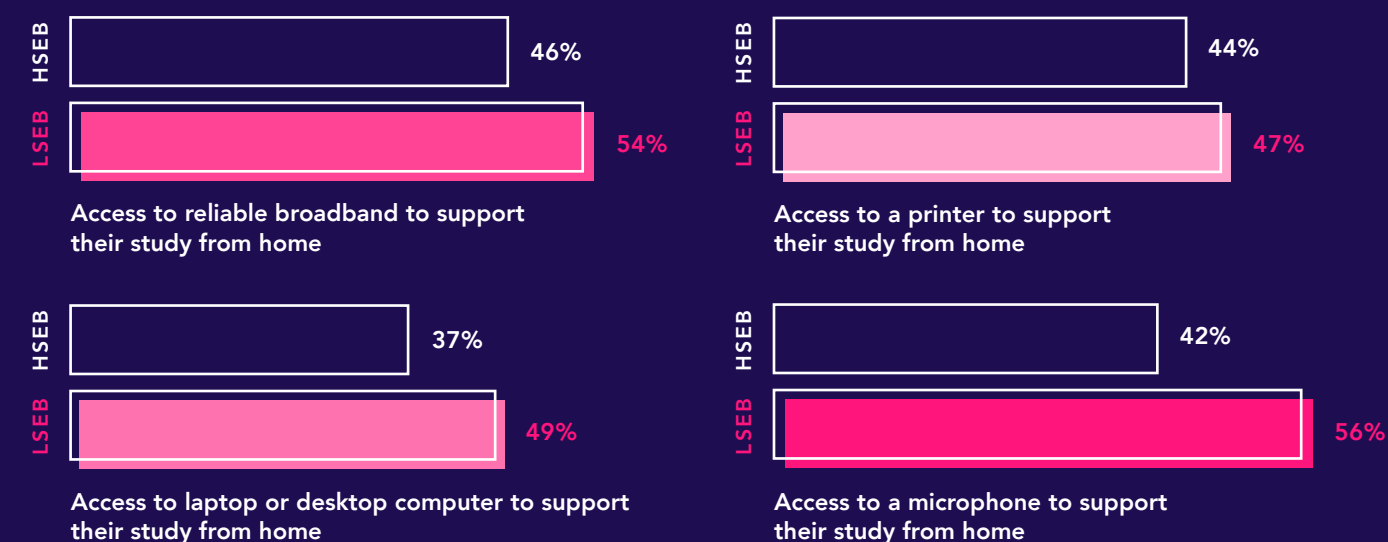
Unheard Voices, a research-led initiative by the Department for Opportunities, established differences in how young people from working-class and middle-class backgrounds experienced learning during Covid-19:

The pandemic impacted the quality of my education 'a lot'

51% LOWER SOCIOECONOMIC BACKGROUNDS

42% HIGHER SOCIOECONOMIC BACKGROUNDS

Access to equipment and resources that support learning has also been uneven:



02

Routes into the Employer

This chapter details the steps that employers are taking to create well-structured routes into their organisations. These routes should provide parity of esteem between non-graduate and graduate routes. For those who are hired as graduates, Russell Group candidates should not be automatically or unduly favoured in recruitment.

The impact of Covid-19 has been felt disproportionately by students from lower socioeconomic backgrounds. A survey undertaken by the Social Mobility Foundation in January 2021, while schools were closed to the majority of students, found 40% of respondents from its Aspiring Professionals Programme did not have access to reliable broadband at home. Our campaigning and advocacy arm, Department for Opportunities (DO), established a disadvantage gap between working- and middle-class young people's experience of education during the pandemic (see box).

The long-term consequences of this disproportionately adverse impact on less advantaged young people are still being understood. In the immediate future, the widening attainment gap at A level and equivalent means it will be important to consider contextual offers and alternative routes in for the 2022 and 2023 cycle; and employers should continue to consider whether candidates have the resources needed to fully participate in virtual recruitment processes.



University recruitment

While almost all organisations accept degrees from any university (96% of employers with graduate schemes; 70% of all entrants), the average number of universities an employer recruits from fell to 28, compared to 34 in both 2020 and 2019. These figures should be considered in the context of newer entrants to the Index being less established than returning entrants.

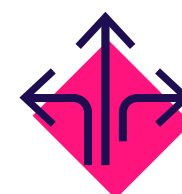
Professional services firms performed well on this measure, hiring from 79 universities on average, as did public

sector institutions, which hired from an average of 59 institutions. Sectors hiring from fewer universities than average included banking, financial services and insurance (17); law (17); real estate (13); fast-moving consumer goods (9); and the third sector (9).

Competition for places appeared to be fiercer than normal across the board, with success rates for both Russell Group and non-Russell Group graduates dropping by one percentage point in 2021.

The gap between the two groups has somewhat narrowed over the five years the Index has run, but it has not yet disappeared. Russell Group applicants continue to have a higher success rate than their non-Russell Group peers.

This gap was particularly prevalent in law, where Russell Group graduates were three times as likely to be successful as their non-Russell Group peers.



Alternative routes

There was a drop in the number of organisations offering all pathways into employment. Just 80% of organisations offered apprenticeships in 2021, down from 85% in 2020 and 86% in 2019, and only 26% offered school leaver routes, down from 39% in 2020 and 54% in 2019. Similarly, only 76% offered graduate routes, compared to 92% in 2020 and 90% in 2019.

While the pandemic has undoubtedly affected recruitment, it was also

encouraging that the targeting of opportunities at lower socioeconomic backgrounds has continued to steadily increase this year. Across all three routes, we have seen record numbers of intakes who are from lower socioeconomic backgrounds, although it is disappointing that the percentage of apprentices from a lower socioeconomic background apprenticeships is not higher, when they are heralded as a golden opportunity for social mobility.

This is further evidence, building on DO research (see box) and the Social Mobility Commission's June 2020 report – which showed a 36% decline in apprenticeship starts by those from disadvantaged backgrounds compared with 23% for others¹ – that there is much room for improvement in how apprenticeships are designed, and how they are targeted to young people from low-income backgrounds. Creating more non-graduate routes must remain a priority for employers.

¹ Social Mobility Commission – Apprenticeships and Social Mobility (June 2020)

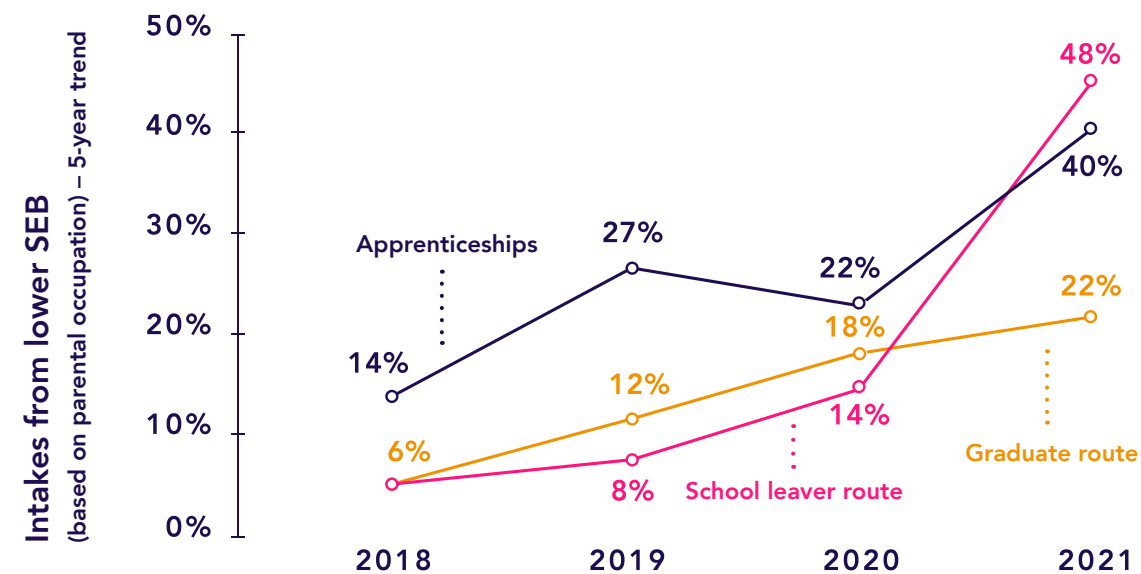
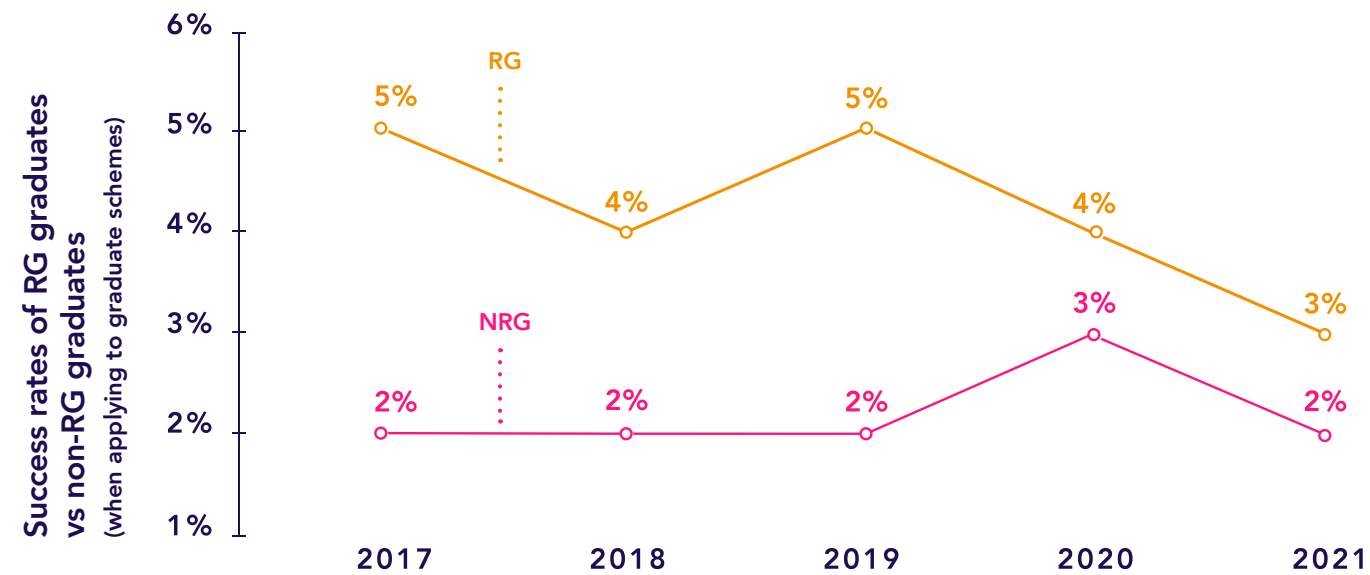


Case study: Grant Thornton

Professional services firm Grant Thornton hired 210 apprentices last year, compared to 194 graduates. All of Grant Thornton's apprenticeships are level 4-7, and 94% are degree level apprenticeships.

Grant Thornton review the socioeconomic background of their apprenticeships on several metrics, including whether the individuals recruited received free school meals or were the first generation in their family to attend university. All apprenticeships offer parity of esteem and opportunity, as apprentices can progress to the same level as graduates.

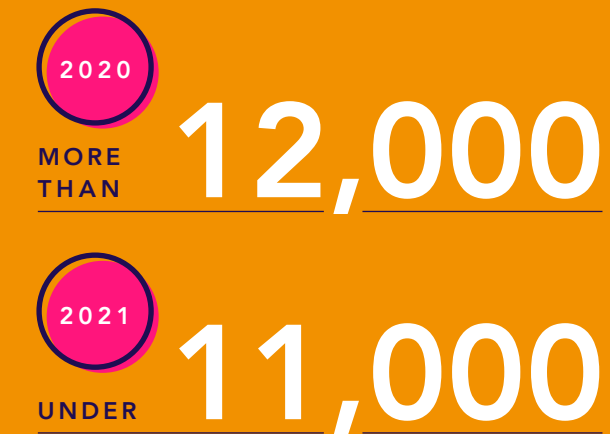




<p>If you only do 1 thing</p>	<p>Ensure you have a well-structured non-graduate route, and offer a pay and progression model for apprenticeships where individuals are rewarded for commitment and performance.</p>
<p>Go 1 step further</p>	<p>Review the socioeconomic background of each intake, in particular apprenticeships, to ensure that it is having the desired impact and improving the diversity of your recruitment pool.</p>

Issue to watch

This year, the steady upward trend in the number of young people receiving mentoring support came to an end. The number fell this year to under 11,000, compared to more than 12,000 in 2020.



Our Unheard Voices project revealed that LSEB young people (unsurprisingly) value specific careers advice. Mentors and private tutors had the most impact on raising aspirations of these young people. Employers should consider the positive impact mentoring can have and aim to expand this outreach going forward.

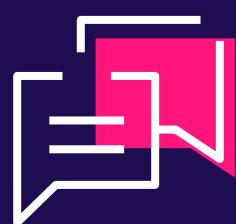
Voice of young people

In 2021, we introduced a question to determine whether or not organisations ensured they had the equipment needed to take part in virtual work experience. It is positive to see that a relatively high number do so – **78%**. **Of those that provide equipment, 72% offer laptops, 47% offer support headsets and 45% offer Wi-Fi routers.**

Despite low numbers offering Wi-Fi routers, in our recent Unheard Voices survey young people told us that their access to stable internet connections was a more common barrier than not owning a laptop or tablet. Just 46% of those from a lower socioeconomic background had access to reliable broadband to support their studies.

Employers should take this into account to ensure young people have the connection and equipment they need to take part in placements.

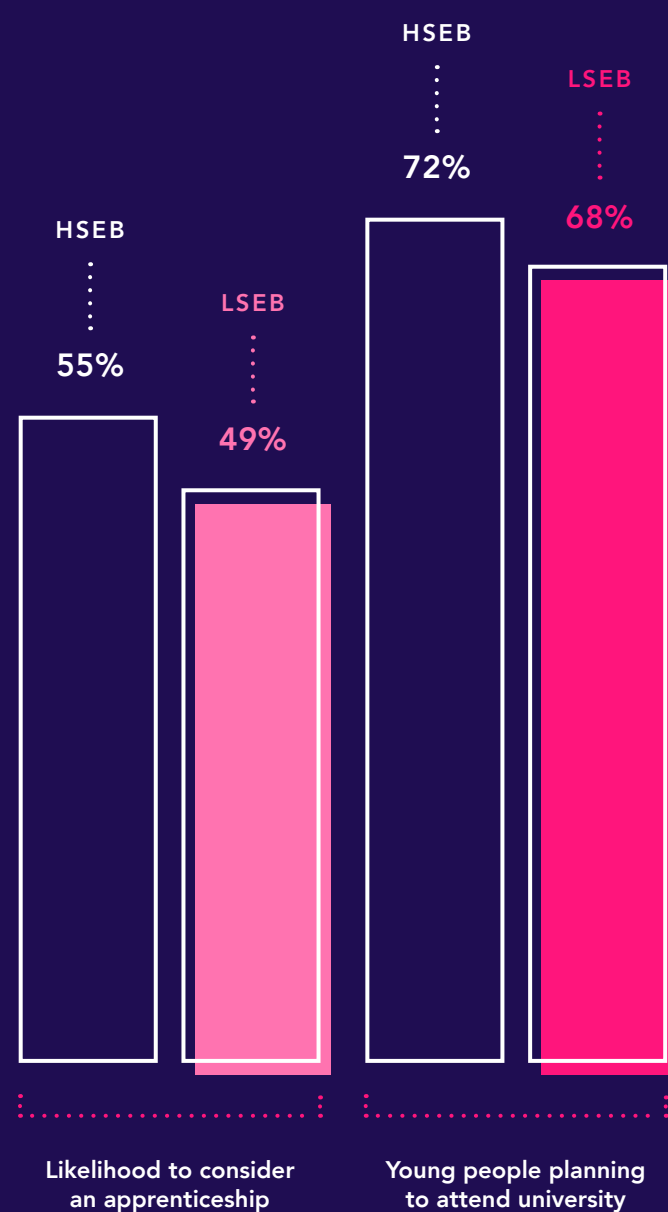




Unheard Voices recommendation: **what young people want**

Unheard Voices, a research-led initiative by our campaigning and advocacy arm Department for Opportunities, shows young people from higher socioeconomic backgrounds are now more likely to consider an apprenticeship than their less-privileged peers:

Likelihood to consider apprenticeships or university



This suggests disadvantaged young people **do not see apprenticeships as a viable route into the top-paying jobs.**

We are also concerned that the uneven distribution of apprenticeships across the country, coupled with the low pay received while training, could mean they are largely unviable to those who cannot live at home or with a family member.

Employers should consider higher- or degree-level apprenticeships to ensure they are viable for those from LSEB offers and target outreach in social mobility 'cold spots'.



03 Attraction

This chapter analyses the extent to which organisations recruiting graduates seek to attract applicants from universities outside the Russell Group.

The Index rewards employers that make an active effort to diversify their attraction methods, ensuring they reach those from lower socioeconomic backgrounds.

Covid-19 had a significant impact on university outreach in the 2021 Index reporting period, with overall numbers down across the board. Index employers collectively visited 123 different universities. This is the lowest number since 2017. They also, on average, individually visited fewer universities than in previous years: just 47 in 2021, compared with 84 in 2020 and 72 in 2019.

Most organisations moved their university visits online due to Covid-19 restrictions, although some still managed to deliver face-to-face visits; a small number of employers did not have any contact with universities in the 2021 reporting period.

One piece of good news was that the proportion of visits to Russell Group universities fell again this year, by one percentage point, to 53% of all visits. This is a positive sign, since Russell Group universities are less likely to be attended by young people from a lower socioeconomic background, and it appears employers are acting positively on our advice to diversify the types of universities they visit. Despite this, however, outreach to Oxford and Cambridge remains disproportionately high. These two universities were visited more than 64 other universities combined in 2021. Cambridge was once again the most visited university.

Of the 124 organisations that delivered virtual university visits, 70% said they intended to return to a mix of in-person and virtual visits, while 10% of organisations said they would mainly run in-person university visits. A further 6% said all of their university visits will remain online, and 15% said they did not know their approach going forward as yet.

We believe a blend of face-to-face and virtual could help increase the number and reach of universities visited, whilst also offering the vital real-life experiences that face-to-face outreach offers. Yet we are concerned that 72% of all visits to non-Russell Group universities were online, compared to 52% for Russell Group universities. Where a hybrid model is implemented, caution must be taken to ensure it is not only Russell Group universities that benefit from the enhanced experience of face-to-face delivery.



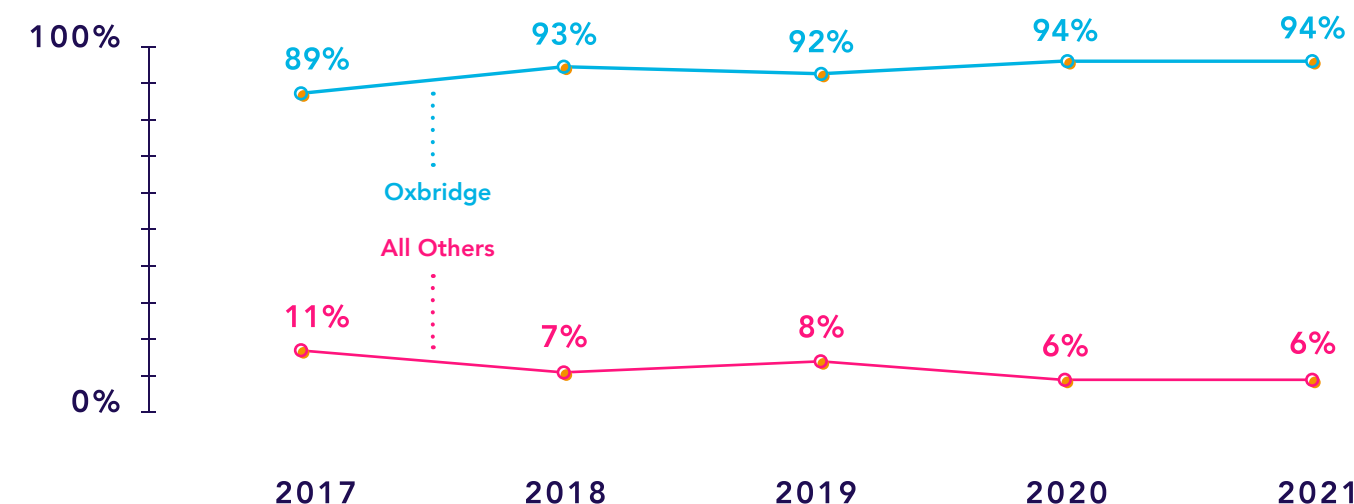
Case study: MI5, MI6 and GCHQ

'Attraction' is not just about numbers; ensuring there is a good ratio of outreach visits to both Russell Group and non-Russell Group universities is an important first step, as this often translates into greater diversity in the application pool. MI5, MI6 and GCHQ recognised their graduate schemes already received significant applications from the Russell Group, and far less from non-Russell Group universities.

In 2020 the Intelligence Agencies made a decision to broaden outreach activity, using HESA data to identify the institutions with the highest representation of students from lower socioeconomic backgrounds and focus the investment of outreach resources at these universities. Numerous virtual events were held at institutions including Bradford University, University of East London and Northumbria University to attract a wider and more diverse range of students and encourage them to consider a career with the Agencies.

Five-year trend

Visits to Oxbridge vs. all other universities



If you
only do



thing

Ensure that you achieve a good balance of Russell Group and non-Russell Group university visits.

Go
1 step



further

Track the conversion rate of Russell Group/non-Russell Group applicants to acceptances to ensure that a balance between the two is maintained through the recruitment process, and that it translates into a more diverse recruitment pool.

04 Recruitment and Selection

This chapter examines recruitment and selection processes which, too often, reward ‘polish’ – which is commonly associated with applicants from more privileged backgrounds – over potential. The Index recognises employers that implement clear measures to address this. There are two main categories of action: a) removing barriers that prevent individuals from lower socioeconomic backgrounds progressing to selection; and b) rewarding current ability and future potential over past academic performance.

The typical recruitment and selection process is at risk from elements of class bias, which puts young people from lower-socioeconomic backgrounds at a disadvantage in comparison to their more privileged peers. For example, research carried out last year by Accent Britain showed that job candidates with a Received Pronunciation (RP) accent were seen as more informed and more suitable for professional employment, even when speakers of other accents gave identical answers¹.

Recruitment models still place too much emphasis on academic performance and university attended, again strongly associated with higher socioeconomic background, rather than potential to excel in the role being recruited for; in 2021, 78% of Index employers still had minimum grade requirements. This figure has remained consistent across several years, although most employers do now offer a rationale to explain why they have chosen those particular grades.

When scoring applications, it is positive to see more employers positively scoring being from an under-represented group within the organisation's workforce (17%, up 10 percentage points) this year. Yet we also saw more employers scoring degree subject (19%, up 7 percentage points) and amount of work experience (35%, up 8 percentage points) which could put lower socioeconomic background young people at a disadvantage.

Employers should consider a targeted process to remove these barriers, and some employers are starting to do so; 25% of employers flagged students with certain socioeconomic backgrounds characteristics in the recruitment process, 42% analysed their recruitment processes to see where applicants from low socioeconomic backgrounds fell down, and 32% take a second look at candidates from lower socioeconomic backgrounds to check there was no context missed.

Blind recruitment, which involves the removal of personal indicators, is an opportunity to protect against bias. A growing number of employers are removing applicant names from an application, with 48% doing so this year, compared to 46% last year and 35% in 2019. Similarly, 38% are removing grades, up 37% from last year.

However, the number of employers removing candidates' universities fell to 40% from 46%. This is bad news, because where universities are visible recruiters tend to favour Russell Group universities, which tend to have less diverse student bodies.

¹ Accent Bias in Britain – Attitudes to Accents in Britain and Implications for Fair Access (2020): <https://accentbiasbritain.org/wp-content/uploads/2020/03/Accent-Bias-Britain-Report-2020.pdf>



Case study: Severn Trent

Water company Severn Trent carried out a review and redesign of its early careers recruitment processes in the last year, looking at the performance of recent recruits to understand how they were performing against the company's values.

As a result, the company removed two of the nine core strengths from the recruitment framework, including removing a focus on business affinity and commercial awareness, which they expect to create an even playing field for recruits from lower socioeconomic backgrounds.



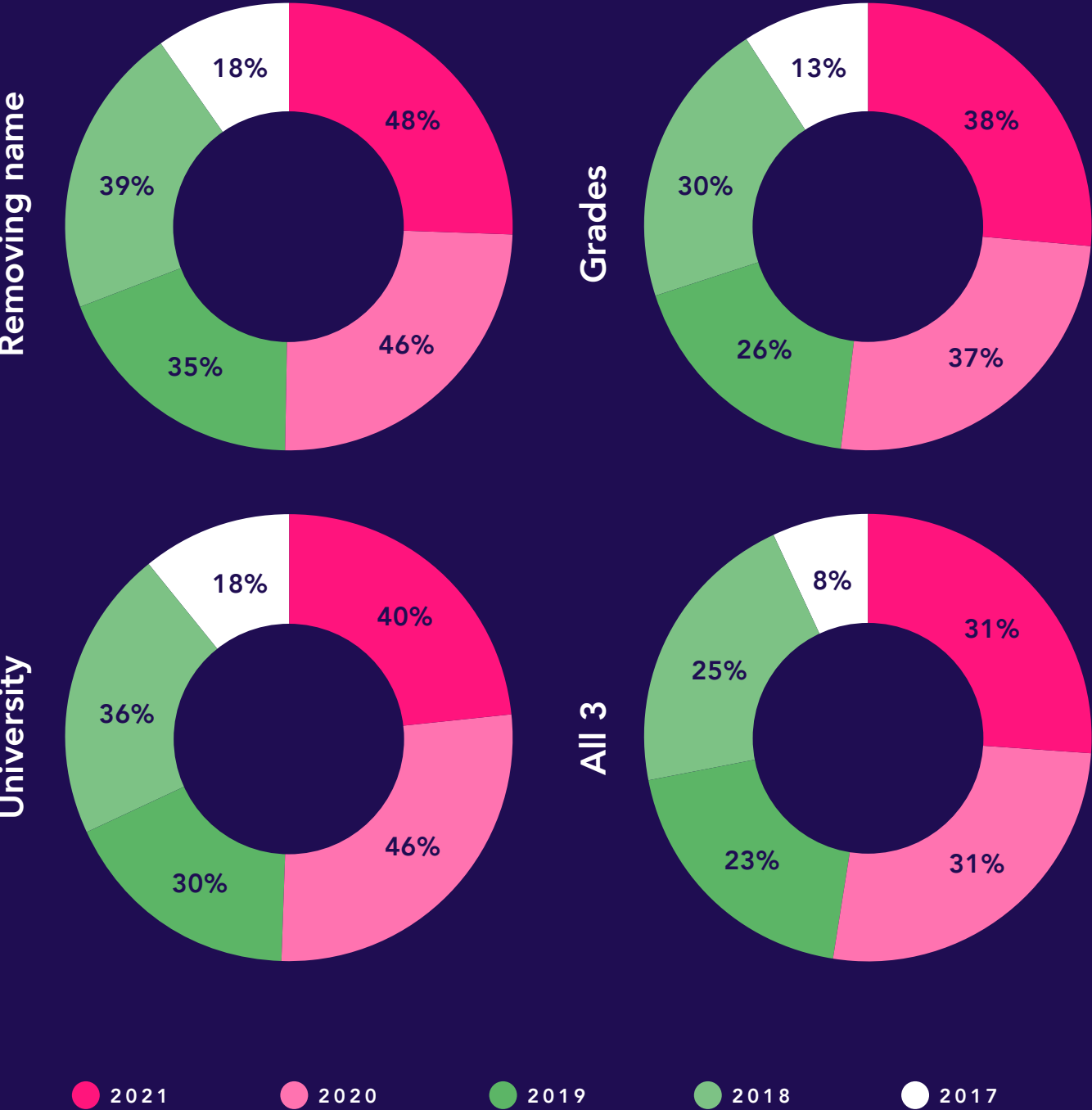
Case study: Pinsent Masons

When recruiting graduates or apprentices, it helps to understand the context in which they have obtained their grades and the barriers they may have faced along the way.

Law firm Pinsent Masons uses the Rare Contextual Recruitment system, which looks at socio-economic, personal and academic flags, including whether an individual received free school meals, was in the first generation of their family to attend university, worked a high number of part-time hours while studying or grew up in local authority care.

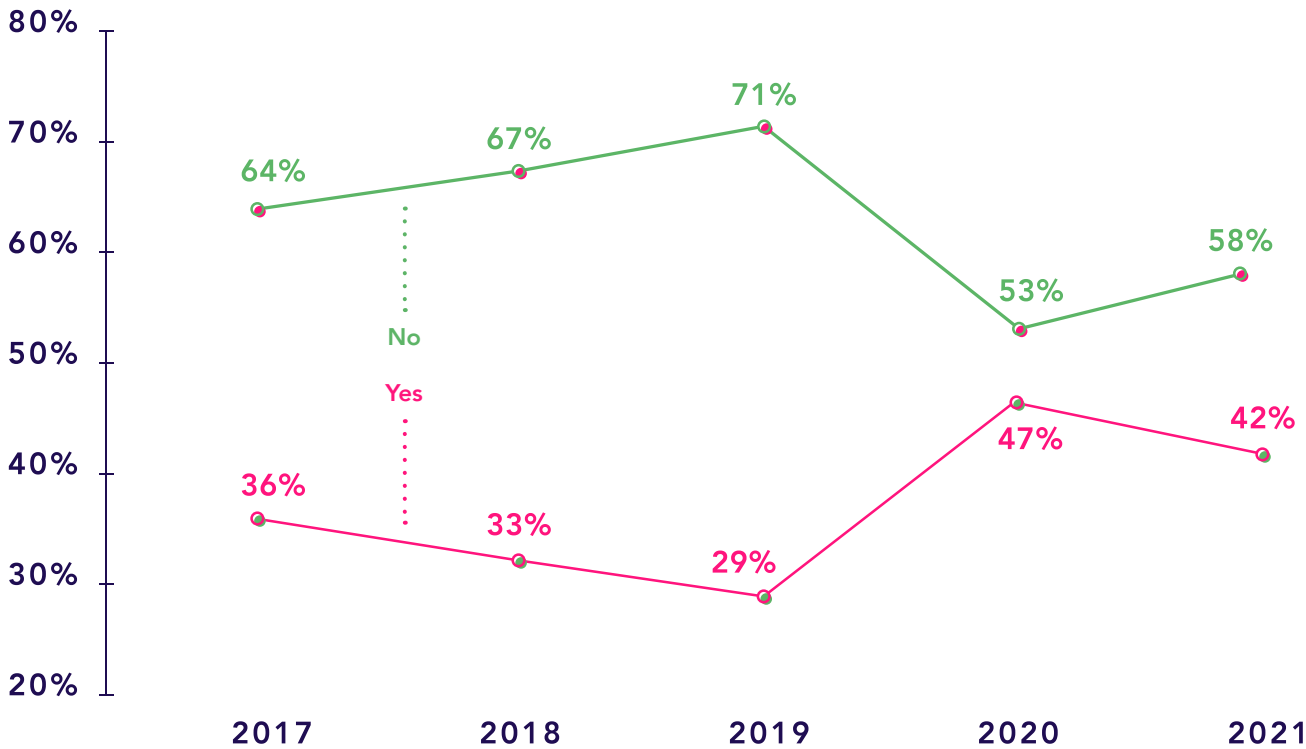
Understanding a candidate's academic record, their extra-curricular achievements and work experience in the context of individual circumstances better enables employers to level the playing field when considering applicants for assessment. The Rare system also awards candidates a performance index ('PI') score based on how they have academically outperformed their school peers (attending the same school).¹⁷ Rare candidates will join the firm in 2022 and each have one flag or more and/or a PI score over 30.

Blind recruitment across five years



Grades put in the context of school or university across five years

% of organisations contextualising grades



If you only do

1 thing

Flag candidates with certain socioeconomic background characteristics in the recruitment process.

Go 1 step further

Monitor the recruitment process to identify whether there are particular stages at which those from lower socioeconomic backgrounds fall down.

05 Data Collection

This chapter examines the extent to which employers collect and analyse data to understand their workforces' socioeconomic profile.

The Index recognises companies who collect data and rigorously analyse it, using the insights it gives them to improve their diversity.

For employers to develop a realistic social mobility strategy, they need to first understand their current context; it is vital to have a clear picture of the socioeconomic background of the existing workforce, and that requires effective data collection.

We have seen improvement in socioeconomic data collection over the five years the Index has run, yet with the significant growth in participation in 2021 we have seen a decrease in the overall proportion of employers collecting data, which reflects that employers earlier on in their social mobility journey are not prioritising data collection as a vital starting point.

51% of employers did not ask any socioeconomic background questions of their new entrants, and 44% of employers are not asking any socioeconomic background questions of their current employees. The Social Mobility Commission's data toolkit¹ recommends that employers administer an annual diversity survey as a method of collecting socioeconomic background data on their workforce. In 2021, 53% of Index entrants did this. Those without data will not understand the location and scale of the social mobility issues that need tackling, which makes prioritisation difficult, and therefore we have urged all participants to start data collection as soon as possible.

Completion rates of these surveys are on a downwards trend: 61% in 2021, 60% in 2020, 72% in 2019, 80% in 2018, and 82% in 2017; though this must be considered in the wider context of new entrants who may have only started to embed a culture of socioeconomic data collection recently.

In 2021, 22% of employers were publishing data on the socioeconomic profile of their workforce externally – down from 29% in 2020.

Meanwhile 49% of employers presented their socioeconomic background data at board level, compared to 52% in 2020, although the five-year trend is broadly positive on this issue.

Collecting data is the vital first step in creating more inclusive workplaces, revealing the location and scale of the problems that need tackling. We urge all employers to consider data collection as a priority area for 2022. This may require close collaboration with HR given internal processes and systems must support data collection. Comprehensive guidance has been provided to participating employers and non-participants should review the Social Mobility Commission toolkits².

¹ <https://socialmobilityworks.org/toolkit/data/>

² The Commission also provides useful guidance on encouraging employees to disclose data



Case study: HM Revenue & Customs

This is the second year that the annual Civil Service People Survey has included standard questions on socioeconomic background, and this year, HMRC was able to look much closer at what the data showed about the overall make-up of the organisation, at every grade and across all their locations. The information has been shared with regional leads and is being used to review and inform future strategy.

HMRC is now also capturing this data on their HR system. They collect five data points on existing staff, such as type of school attended, eligibility for Free School Meals, parental occupation during childhood and highest parental qualification. HMRC also collects data on both new hires and unsuccessful job applicants.

% of employers collecting SEB data

NEW ENTRANTS



Type of school attended



Type of school attended with 'state school' broken down into selective and non-selective



Parental occupation



Eligibility for Free School Meals/Pupil Premium



Whether or not parents attended university



Postcode during secondary education

CURRENT EMPLOYEES



Type of school attended



Type of school attended with 'state school' broken down into selective and non-selective



Parental occupation



Eligibility for Free School Meals/Pupil Premium



Whether or not parents attended university



Postcode during secondary education

If you
only do
1
thing

Collect socioeconomic background data for new and current employees, consisting of at least three data points.

Go
1 step

further

Publish your data and, to ensure the data set is robust, consider setting completion rate targets.



06 Progression, Culture and Experienced Hires

This chapter examines how employers measure the social mobility of their existing employees and the strategies being undertaken to create an inclusive workplace culture. Social mobility is not just about individuals from lower socioeconomic backgrounds getting in and starting a new career; it is equally about having the ability to flourish and progress at work.

Only 10% of those from working-class backgrounds make it into Britain's higher professional and managerial occupations, according to The Class Ceiling (Sam Friedman and Daniel Laurison, 2019).

Yet even when those from lower socioeconomic backgrounds make it through the doors, progression is still an issue, as highlighted in research by Bridge Group which found in 2020 that employees in financial services from lower socioeconomic backgrounds progress 25% more slowly than their peers, with no link to performance.

Similarly, research by the Social Mobility Commission finds that those from poorer backgrounds are still paid an average of £2,242 (7%) less. In some instances, the class pay gap is as high as £6,800 (17%).

The percentage of organisations collecting socioeconomic background data on retention has fallen to 13% in 2021, from 19% in 2020. For progression it has fallen to 16% from 24%, and on pay it is unchanged at just 11%.

While there is scope for improvement on data collection, there has been a welcome increase in the proportion of employers focusing on the inclusivity of their leadership. 42% of organisations offered diversity awareness training with a focus on social mobility. 87% of these organisations provided training specifically for managers and leaders.

There were fewer organisations offering buddying and employee networks (of those from similar backgrounds) this year, though there has been a positive five-year trend of more and more organisations offering support with passing exams, as well as mentoring and leadership programmes to encourage progression.



Case study: KPMG

Professional services firm KPMG has said it will aim for 29% of partners and directors to be from lower socioeconomic backgrounds by 2030, using a measure based on parental occupation.

Currently 23% of the firm's partners and 20% of its directors are from a lower socioeconomic background. The group will launch new recruitment programmes, as well as mandatory training for all its 16,000 staff.

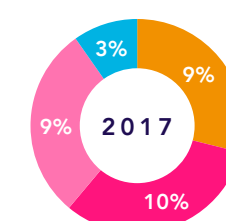
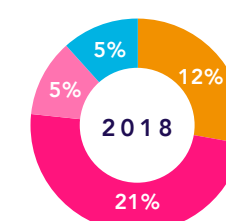
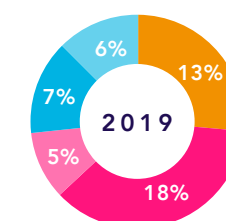
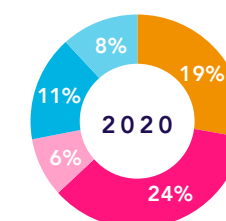
KPMG's commitment to progression is particularly pleasing because it is not just measuring progression, but also making the data and commitment public.



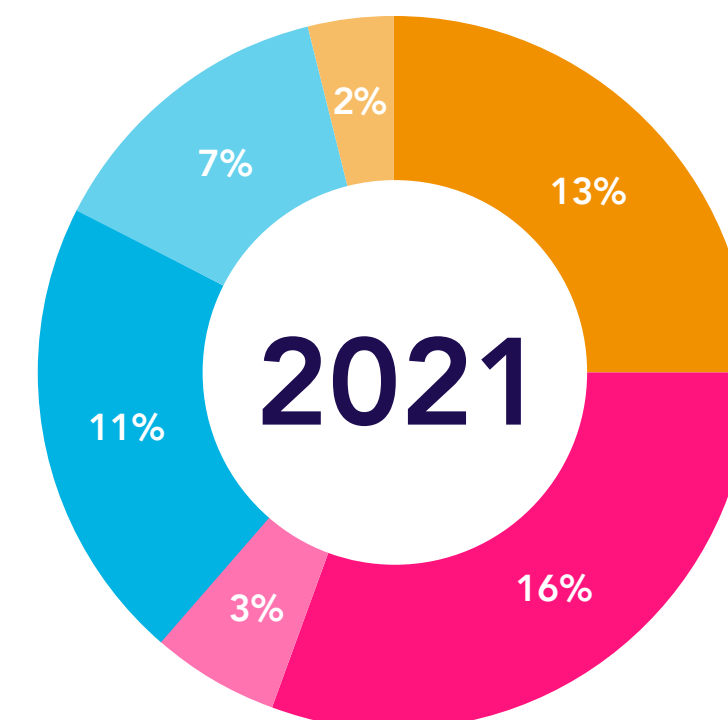
Case study: PwC

Professional services firm PwC is also taking actions to close pay gaps for people from lower socioeconomic backgrounds, and plans to introduce targets for headcount by grade, similar to targets the firm already has in place for gender and ethnicity.

PwC revealed a 12.1% median socioeconomic background pay gap this year – the first time it has measured this figure. It now has disclosure on background from 80% of employees and has used this to build a picture of pay differentials, as well as finding that 14% of staff reported themselves to come from a lower socioeconomic background. It has published an action plan to increase social mobility across the employee lifecycle.

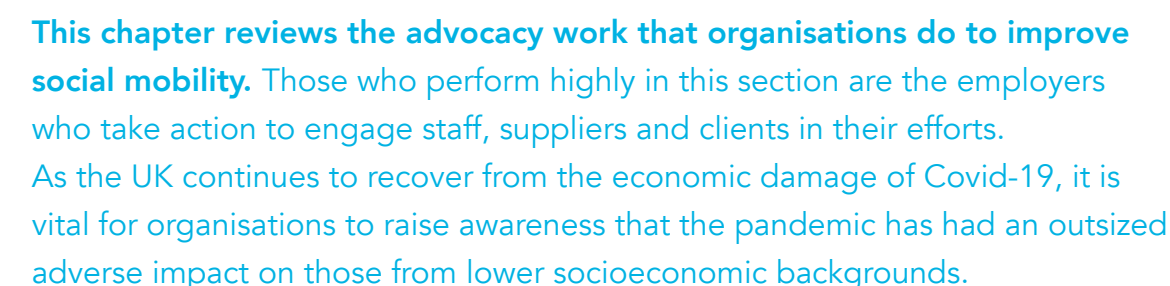


Collecting socioeconomic background data across five years



- Retention
- Progression
- Professional qualifications
- Pay
- Appraisal grades
- Take up of training

07 Advocacy



However, firms said their clients were more likely to care about gender and racial diversity than socioeconomic diversity. And there was also a fall in the number of employers who said clients cared about socioeconomic diversity, down to 74% from 86% the year before. Ensuring that the intersectionality of social class with other forms of disadvantage is better understood, and efforts on workplace inclusion address this intersectionality, will be crucial to enabling employers to continue making progress on social mobility.

Employers also put more focus on encouraging employees to share personal stories via blogs and networks, with 70% doing this – up from 69% in 2020 and 62% in 2019. And employers were not just working with their own employees, but also with external clients and suppliers. This year, 49% of employers said they worked with clients to improve social mobility, up from 42% last year.



Case study: Mears Group

Housing and social care provider Mears Group works with clients to gain contractual commitments with a focus on improving social mobility. Mears Group contract work in Rotherham, for example, prioritised social value by investing in the people and community in the form of apprenticeships, work placements, community work, school engagement and recruitment approaches.



Case study: MediaCom

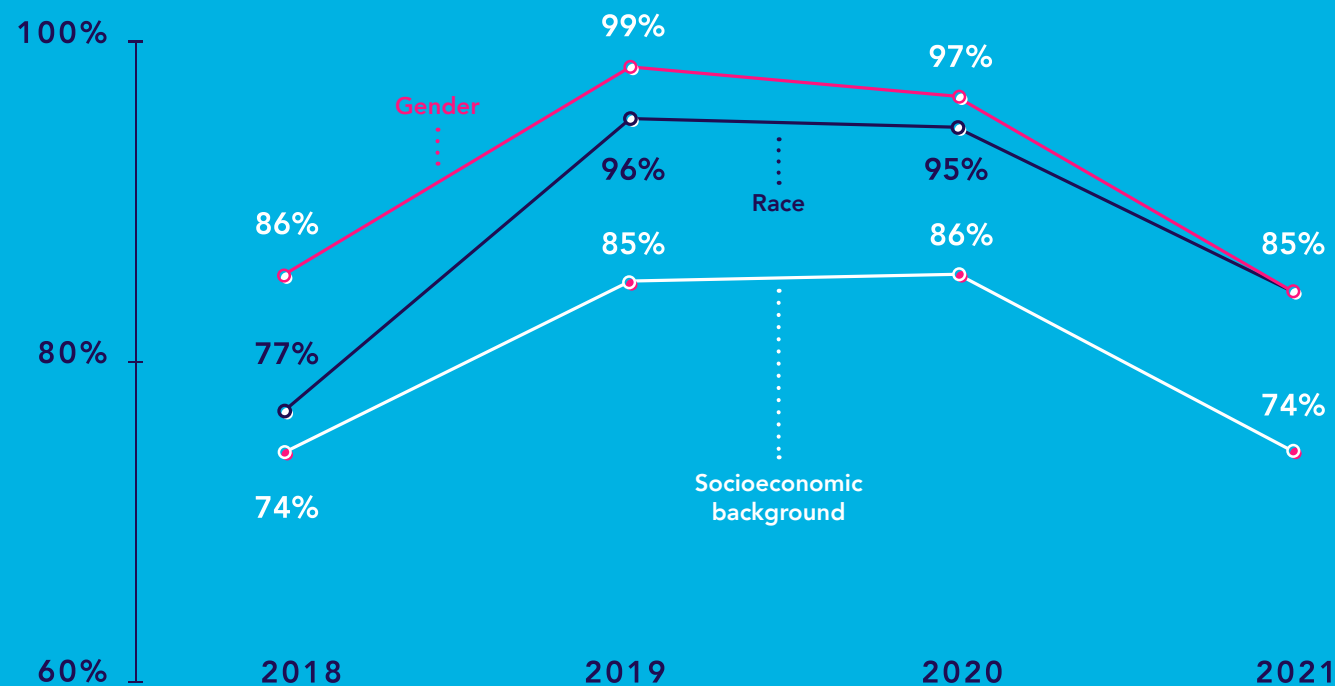
MediaCom, a specialist media communications firm, last year launched an initiative to make sure that its campaigns and partnerships featured a diverse set of voices which were reflective of the community we exist in. The Inclusive Planning campaign involves an internal steering committee to act as internal consultants and role model behaviours. MediaCom works closely with charities and others who act as a voice for underrepresented groups, and works with all clients to ensure that this Inclusive Planning approach, including a focus on social mobility, is included in all campaigns.

Employers encouraging personal stories of social mobility

2021 **70%** 2020 **69%** 2019 **62%**

Client interest

% that feel their clients care about
SEB diversity vs. race vs. gender



Work with government on social mobility

IN 2021

28%

of organisations
worked with local
government

7%

worked with
a devolved
government

33%

worked with
the UK
government

If you
only do



thing

Develop an internal
advocacy strategy and
encourage employees
to share their own stories.

Go
1 step



further

Leverage your position
within the supply/value
chain to encourage clients
and suppliers to take action
on social mobility. You
could run joint initiatives
within existing partners
and embed social mobility
considerations in your future
procurement work.

Appendix A

Index Methodology

The Social Mobility Employer Index is comprised of two elements: questions that employers answer using qualitative and quantitative data; and an employee survey which was introduced in 2018.

The former assesses employers' work across seven areas: their work with young people, routes into the employer, the attraction of staff, recruitment and selection, data collection, progression of staff and experienced hires and advocacy. The latter is to add insights and contextualise the data provided in submissions. Employers are then benchmarked against one another based on the results.

The Index questions are based on research from the Social Mobility Commission and the leading academics working in this field. It has also been developed in consultation with, and following feedback from, the following advisory groups and individuals:

The Bridge Group

Stonewall

The Institute of Student Employers

Dr Louise Ashley, Royal Holloway,
University of London

Claire Tunley, Head of Employability
at City of London Corporation

Working with any of these organisations or individuals does not give an employer any undue advantage in the Index process.

Since the inception of the Index, some questions have been refined and others that investigate internal culture and intersectionality have been added. In 2021, additional questions relating to the impact of Covid-19 were introduced to contextualise this year's submissions. For key questions, organisations are asked for several years of data in order to assess the impact of measures being taken.

Index submissions are considered and marked against the latest empirical evidence of what interventions effectively advance socioeconomic equality in the UK workplace. Our approach is rigorous and ensures a fair process, recognising that different sectors and individual businesses do things differently.



- 1 Identifying a broad range of questions** that interrogate the various ways in which employers can contribute to socioeconomic equality.
- 2 Weighting responses based on the evidence** that some areas have more impact on socioeconomic equality relative to others. For example, there is substantial evidence that providing work experience placements for young people is more impactful than general outreach; and that some approaches to recruitment lead to more equal outcomes compared to others.
- 3 Weighting whole sections of the marking scheme** based on where maximum impact can be delivered. Within each section, every organisation is then categorised within a decile, so that modest differences in scoring do not then significantly affect the overall ranking.
- 4 Recognising that not all organisations will score marks for each question.** For example, they may not have formal graduate recruitment programmes because of their size. Therefore, organisations are ranked based on the percentage of available marks they have achieved.

Please note that data is presented in the report as a percentage of the overall submissions, unless otherwise stated. The sample size and profile of entrants is markedly different in 2021 compared to previous years. There were 203 entrants to the Index in 2021 compared to 119 in 2020, with 93 employers entering for the first time. The analysis was based on 201 organisations, excluding two organisations who chose to remain anonymous from analysis.

On average, first-time entrants in 2021 were smaller than returning entrants with an average workforce of around 4,000 staff, compared to almost 9,000 staff for returning entrants. It is therefore important to consider any year-on-year comparisons in the context of these changes.

Appendix B

Employee Survey Questions

Job level (e.g. Manager):

Type of school attended:

- ☐ Non selective state school (Comprehensive)
- ☐ Selective state school (Grammar or selective on faith)
- ☐ 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

Are you aware that your organisation does any work on improving socioeconomic diversity in your organisation?

- ☐ Yes
- ☐ No

Are you personally involved in any work relating to social mobility or improving socioeconomic diversity in your organisation?

- ☐ Yes
- ☐ No

My organisation is open to talent from all class backgrounds.

- ☐ Agree
- ☐ Disagree
- ☐ Not sure / Prefer not to say

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

- ☐ Agree
- ☐ Disagree
- ☐ Not sure / Prefer not to say

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

- ☐ Agree
- ☐ Disagree
- ☐ Not sure / Prefer not to say

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

- ☐ Agree
- ☐ Disagree
- ☐ Not sure / Prefer not to say

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

- ☐ Agree
- ☐ Disagree
- ☐ Not sure / Prefer not to say

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

- ☐ Agree
- ☐ Disagree
- ☐ Not sure / Prefer not to say

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

- ☐ Agree
- ☐ Disagree
- ☐ Not sure / Prefer not to say

Our senior leadership is committed to improving the socioeconomic diversity of our workforce.

- ☐ Agree
- ☐ Disagree
- ☐ Not sure / Prefer not to say

My organisation is doing enough to ensure that remote working is accessible to employees of all levels from all class backgrounds during the Covid-19 pandemic.

- ☐ Agree
- ☐ Disagree
- ☐ Not sure / Prefer not to say

Interested in joining the Social Mobility Employer Index 2022?

We would love to hear from you.

Please email the team at employerindex@socialmobility.org.uk

WWW.SOCIALMOBILITY.ORG.UK

