



Social Mobility
Commission



Socio-economic diversity and inclusion

Toolkit: Financial and professional services



Social Mobility Commission

About The Social Mobility Commission

The Social Mobility Commission monitors progress towards improving social mobility in the UK, and promotes social mobility in England. It is an independent statutory body created by an Act of Parliament.

www.gov.uk/government/organisations/social-mobility-commission

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Our partners

We would like to thank the City of London for their initial support in mobilising this project and their ongoing support and commitment to this agenda.



The City of London Corporation is proud to have supported the Social Mobility Commission in developing the financial and professional services toolkit. We are passionate about boosting socio-economic diversity in the sector and have been asked by Government to lead a taskforce to help close the ‘progression gap’.

Together with this new guidance for employers, the taskforce will enable us to work collectively to build a better future – where career progression is led by performance and is a true reflection of peoples’ skills, as well as their potential.

This financial and professional services toolkit has been endorsed by:

Bridge Group
research
action
equality



The Prince's
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With thanks to the Bridge Group, who collaborated with us on our original cross-industry toolkit edition.

Contributors:

We are immensely appreciative of the help and support these and other contributors have shown in creating this new toolkit. This clearly demonstrates how committed organisations are to improving socio-economic diversity and inclusion and driving positive change, even in uncertain times.

Thank you to the following contributors to this toolkit:



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KILLIK & Co

Save | Plan | Invest



Linklaters

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Making the Leap.



rare



Schroders

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Standard Life Aberdeen



Introduction

As a financial and professional services firm, nothing is more important than the quality of your people. The creativity, competitiveness and reputation of your business depends on the talent that you recruit and nurture. But the world is changing fast; are you doing all you can to attract the brightest and the best?

Smart businesses recognise the importance of reflecting the clients and communities they serve, and that diverse workforces create competitive advantage. Teams with a mix of backgrounds and experiences are more creative, have wider perspectives and develop better solutions for clients. Clients know this and want to work with firms that reflect their values and can offer them this diversity of thought.

Hiring practices that exclude exceptional candidates who didn't go to the right school or Russell Group university, didn't have the right contacts, or couldn't afford to work unpaid are no longer fit for purpose. Firms across the sector are changing the way they reach out and hire talent, making this the new 'business as usual'. But it's not just about getting in – getting on is just as important.

Evidence shows that diversity without inclusion and progression can harm your business and your employees, and in these respects the industry has work to do. A combination of established cultures and natural biases mean people from working class backgrounds, who perhaps do not have the 'polish' and profile of someone from a higher socio-economic background, often find it harder to progress and may take longer to climb up the ladder. Leading firms are taking action to overcome these biases, to benefit fully from the talent they have in place and create a culture of inclusion that increases staff loyalty and retention. For many more, this is the next step to take.

This practical toolkit has been created because you, the financial and professional services community, have asked for it. It is the product of unique research and months of consultations with trade groups and individual employers in law, accountancy, management consultancies and financial services. It is intentionally stretching in its commentary and recommendations, and it presents a roadmap to drive improvements in society, the economy and people's lives – and benefits to your own business.



HR directors and diversity practitioners will find this guide most useful, but anyone can use it to become an advocate for social mobility. Your industry is already making great strides and is ahead of other sectors, but every firm is at a different stage of its social mobility journey, so you should use this toolkit flexibly.

Take action on the aspects that are most relevant to you, strive to accomplish the basic actions it recommends, and be inspired to push yourself as far as you can go.

What is social mobility?

Social mobility is the link between a person's occupation or income and the occupation or income of their parents. In other words, it's about ensuring your background doesn't determine your future.

How we measure it

An individual's socio-economic background is defined by their highest earning parent's occupation, according to the **National Statistics Socio-economic Classification** (NS-SEC).¹

Professional occupations are defined as NS-SEC 1 and 2. Examples include CEOs, senior police officers, doctors, journalists, barristers, solicitors, teachers and nurses.

Intermediate occupations are defined as NS-SEC 3 and 4 occupations. Examples include shopkeepers, paramedics, small business owners and police officers.

Working class occupations are defined as NS-SEC 5, 6, 7. Examples include receptionists, electricians, plumbers, butchers and van drivers.

For more information on how to measure socio-economic background, see [page 24](#).

¹ Office for National Statistics, [SOC 2020 volume 3: the national statistics socio-economic classification](#), accessed 2020.

Why should your firm focus on socio-economic background?

Forward-looking companies in the financial and professional services sector recognise that socio-economic background is closely linked to other already protected diversity characteristics, and are realising the benefits of an active and integrated approach to diversity and inclusion.

56% 

56% of entrants in the 2020 Social Mobility Index came from financial and professional services sector.² Sector bodies like the Law Society, the Lord Mayor and City of London are campaigning on this issue. Change is gathering pace: the challenge now is to keep up with the best.

Drive innovation. Diverse teams think more creatively and deliver more innovative solutions for clients. Increasing socio-economic diversity gives your firm a broader perspective on the real-world challenges that your clients face – and a wider range of skills and experience to help you meet them.

- Employees from lower socio-economic backgrounds perform at least as well as their more advantaged colleagues. In 7 leading law firms, employees educated at state schools were 75% more likely to feature in the top decile of performers than those educated at independent schools.³



Socio-economic diversity is more likely to yield a diverse range of approaches to some of the challenges that our clients deal with.

– Honey Sanusi,
Citizenship Manager at
Herbert Smith Freehills



You need [the legal profession] to reflect the communities that it is serving. It's important that people are judged and represented by people with diverse points of view and outlooks on life.

– Jenny Lloyd,
Diversity and Wellbeing Manager
at Linklaters

Improve your reputation. Your clients will recognise the importance of working with a firm that takes diversity seriously and that can offer them the benefits that they are aiming to realise themselves.

- Companies in the top quartile for ethnic and cultural diversity on executive teams were 33% more likely to have industry-leading profitability.⁴

2 The Social Mobility Index ranks employers on the steps they are taking to improve representation from all backgrounds. www.socialmobility.org.uk/index

3 Data from research underpinning the Social Mobility Commission's cross-industry toolkit: www.socialmobilityworks.org

4 McKinsey & Company, *Delivering through diversity*, accessed 2020.



“

As a large employer we're determined to do all we can to help make sure that someone's talent and determination, and not their background, decides how far they progress in their career.

**– Laura Hinton,
Chief People Officer at PwC**

Unlock your recruitment. Applicants want to see and hear about people who reflect themselves, and they want to work for a business with a purpose. Building a visibly diverse workforce can make you a destination employer for high-performing individuals that will drive your future success.

People whose parents held professional jobs are 3 times more likely to move from one region to another to secure a professional job themselves. Social mobility ‘coldspots’, where movement is less common, offer an untapped talent pool.^{5,6}

“

If we create an inclusive environment, that's the best way of attracting and retaining a diverse workforce.

**– Adrian Love,
Recruitment Director at Accenture**

Improve your retention through inclusion. Employers who embed diversity and inclusion in their company values often benefit from higher employee engagement and lower turnover. Employees who face discrimination or suffer from a lack of inclusion, however, may be more likely to leave, increasing turnover and costs.

5 Social Mobility Commission, [Moving out to move on](#), 2020.

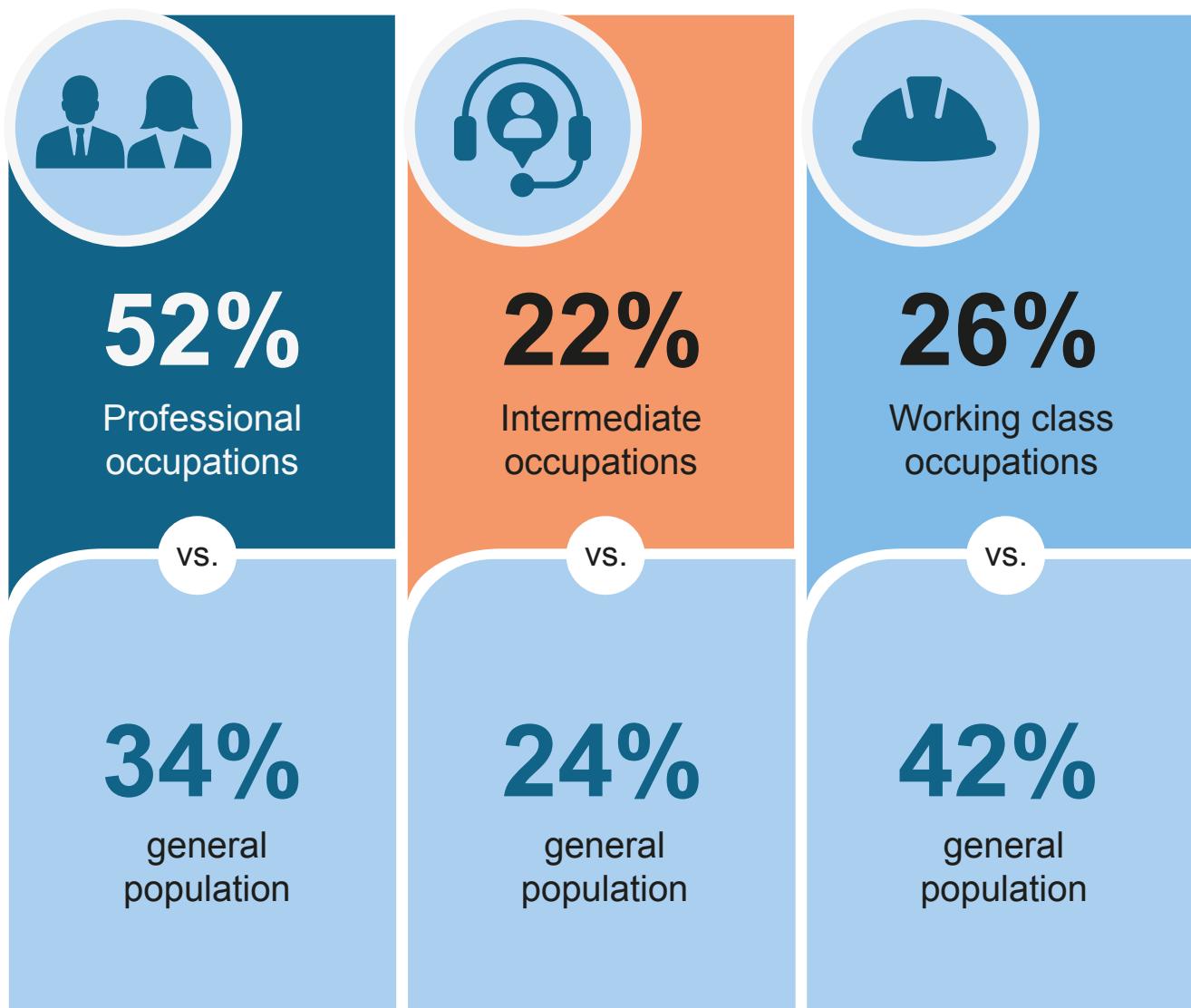
6 Social Mobility Commission, [The long shadow of deprivation](#), 2020.

Getting to the details – your sector's performance

Who works in the sector?

The financial and professional services sector is dominated by professional roles. These roles remain heavily skewed towards employees from professional backgrounds.

Employees from more privileged backgrounds are over-represented, at the expense of those from working class backgrounds, especially in the legal and management consultancy sub-sectors.⁷

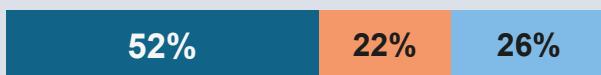


Socio-economic classification (NS-SEC) category of the main wage earner when respondent was 14
Percentage of workforce by NS-SEC category of the main wage earner when respondent was 14

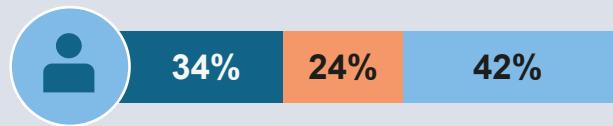
⁷ Research in this section is from new analysis of the Labour Force Survey, which supported the development of this toolkit.

Percentage of workforces by socio-economic background across sub-sectors

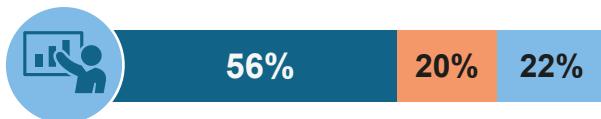
Overall professional and financial services



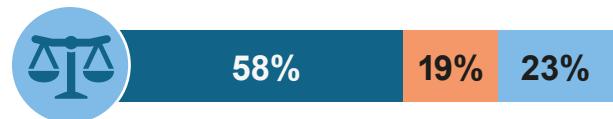
UK workforce



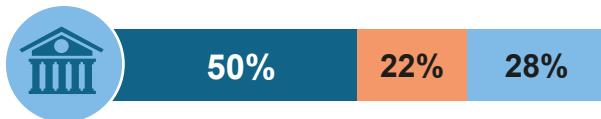
Management consultancies



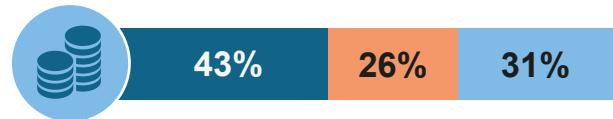
Legal



Financial services



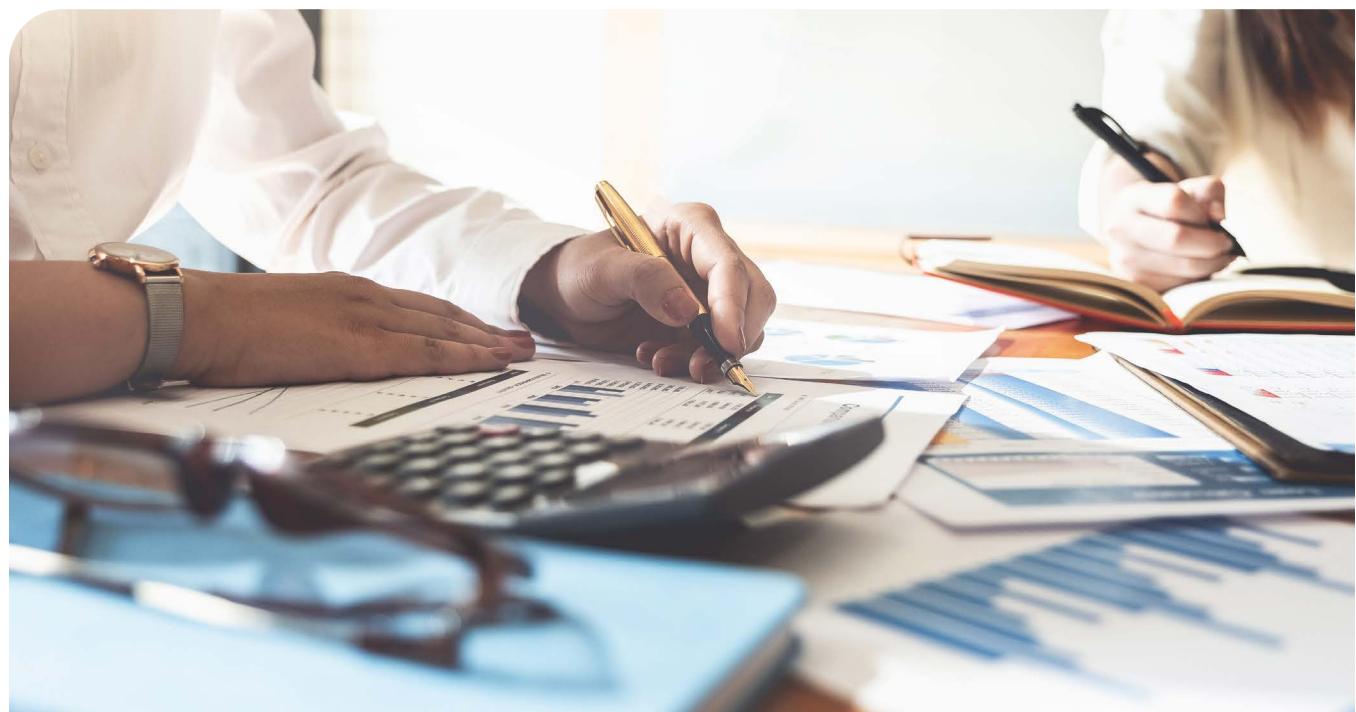
Accounting



● Professional background

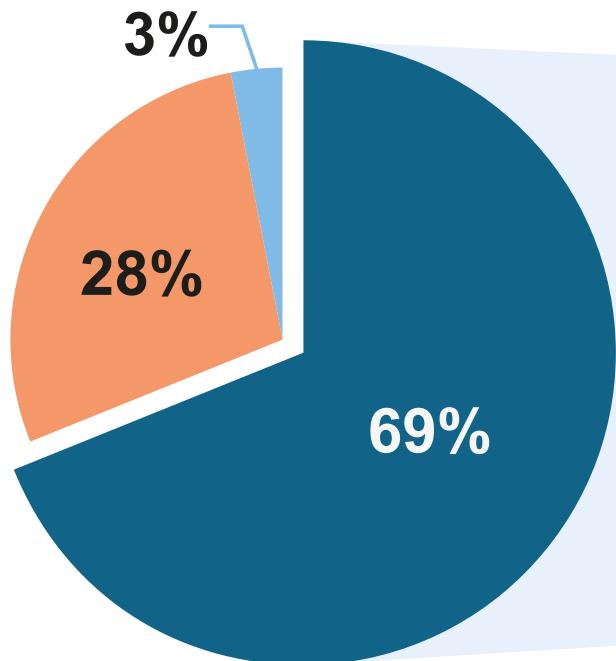
● Intermediate background

● Working class background

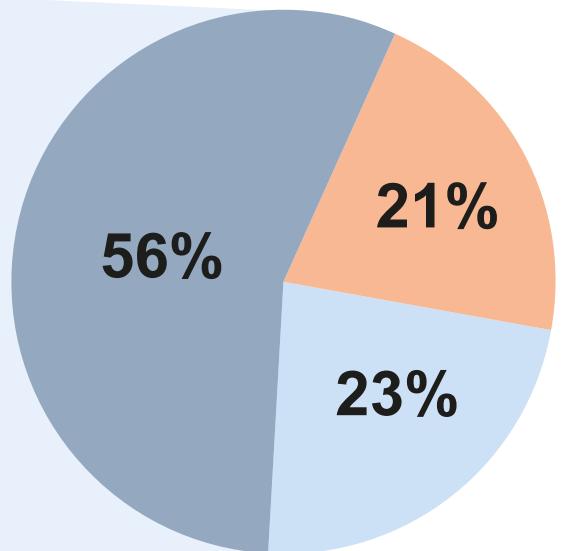


Access to the sector is improving, but professional roles are still predominantly held by people from more privileged backgrounds

Roles in the industry



Who gets into professional roles by social background



- of roles are professional
- of roles are intermediate
- of roles are working class

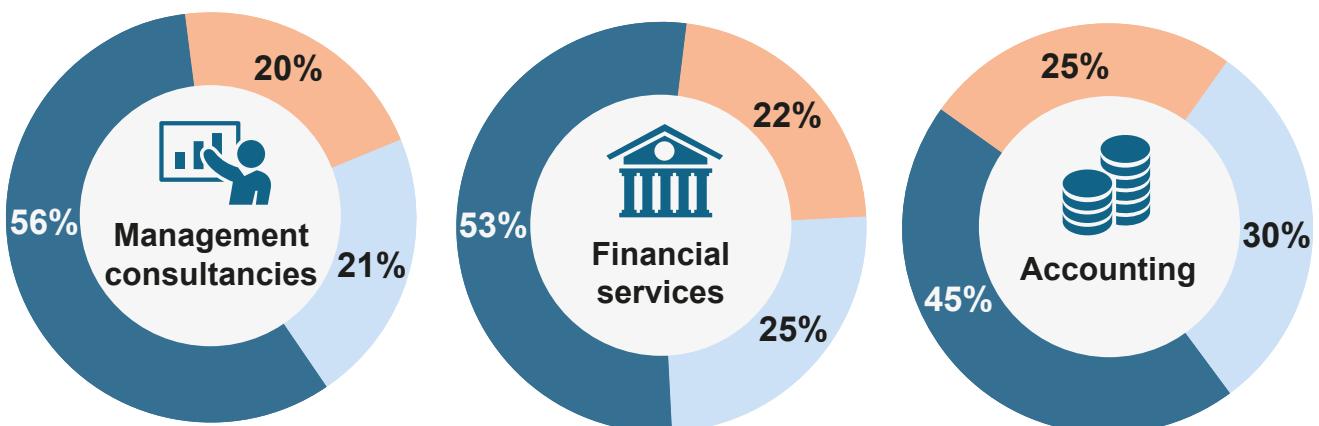
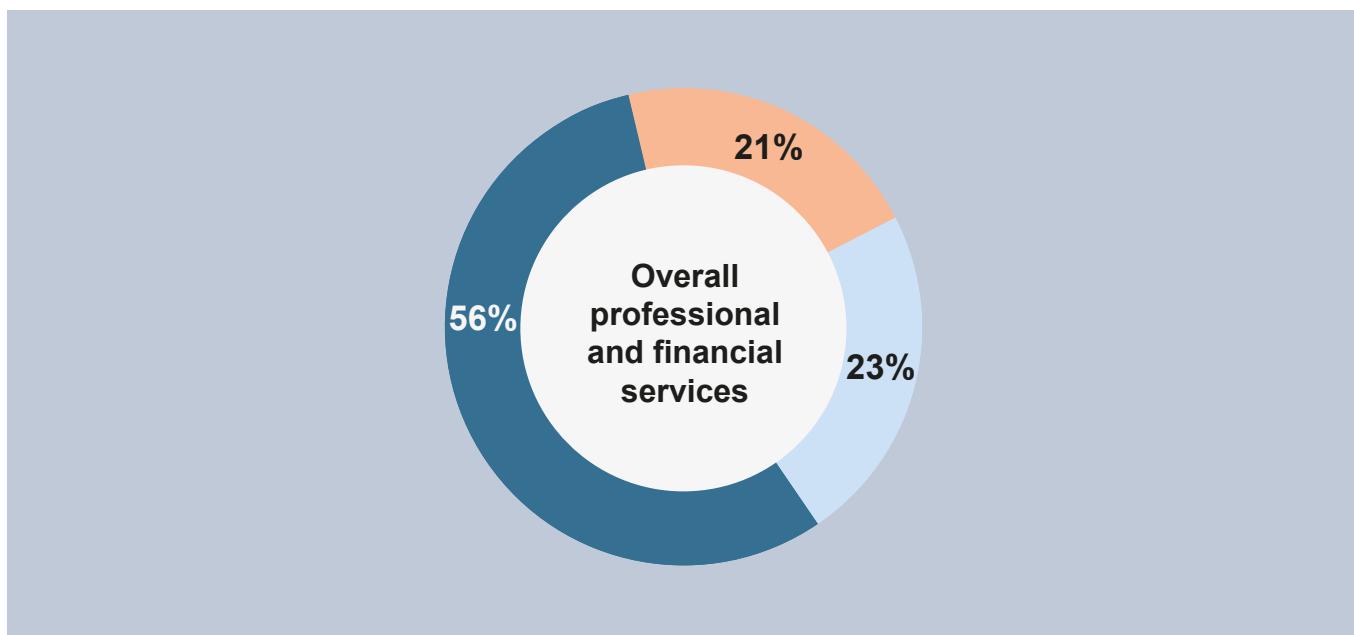
Distribution of workforce by NS-SEC category.

- came from professional backgrounds
- came from intermediate backgrounds
- from working class backgrounds

Distribution of the higher managerial and professional workforce by NS-SEC category of the main wage earner when respondent was 14.

Accountancy firms have higher working class representation in professional roles, with management consultancies lagging behind.

Distribution of the professional workforce by socio-economic background across sub-sectors⁸



- Professional background
- Intermediate background
- Working class background

Distribution of the higher managerial and professional workforce by NS-SEC category of the main wage earner when respondent was 14.

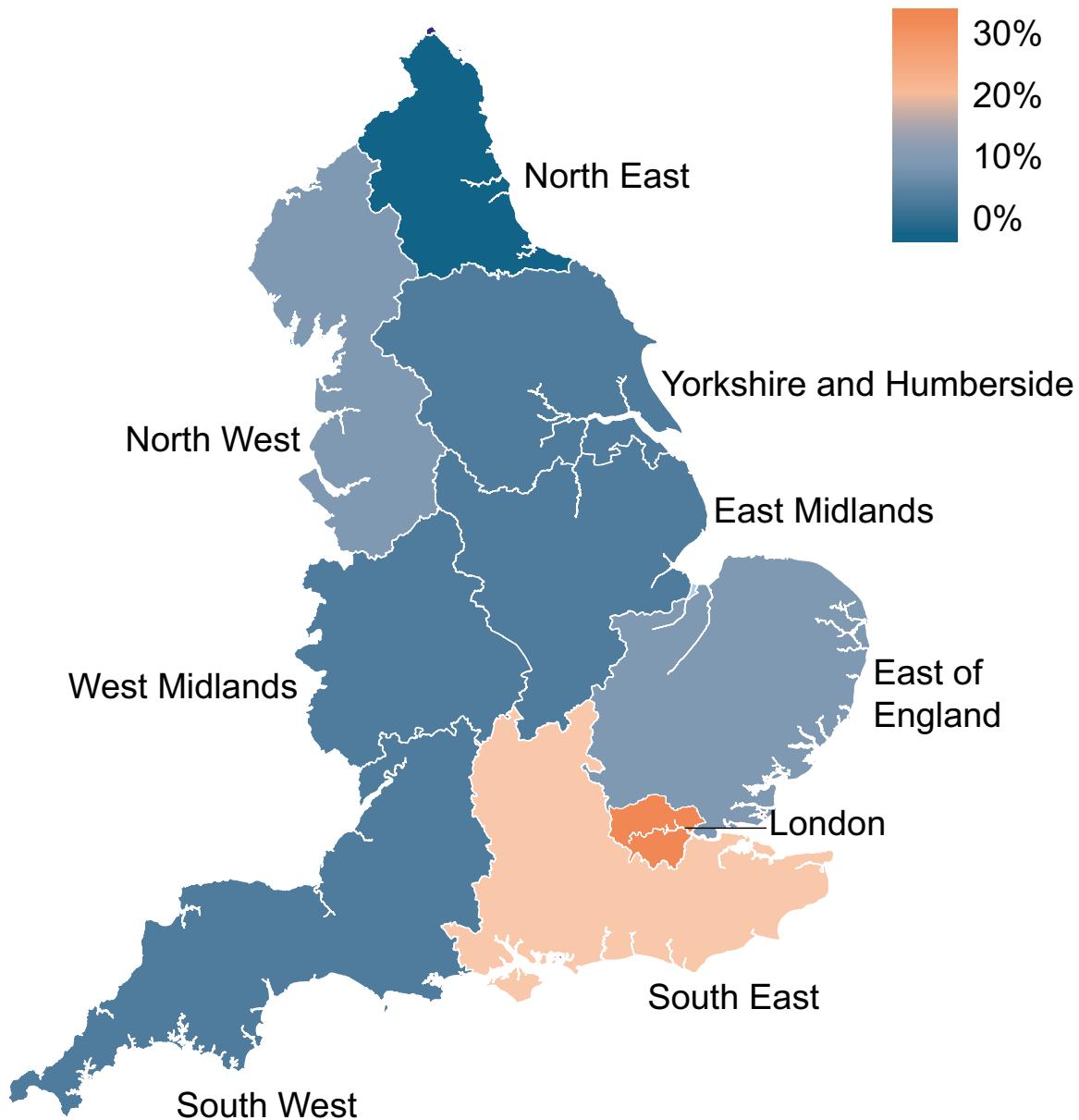
⁸ Sample sizes in the legal sector for those from working class backgrounds in professional roles fell below 100, which is the threshold for reliable statistical reporting on a population. As such, we have not reported the legal sector in this graphic.

Where does the industry work?

More than half of all businesses in the sector are located in the south-east and London. This is a problem for socio-economic diversity. People from professional backgrounds are three times more likely than those from

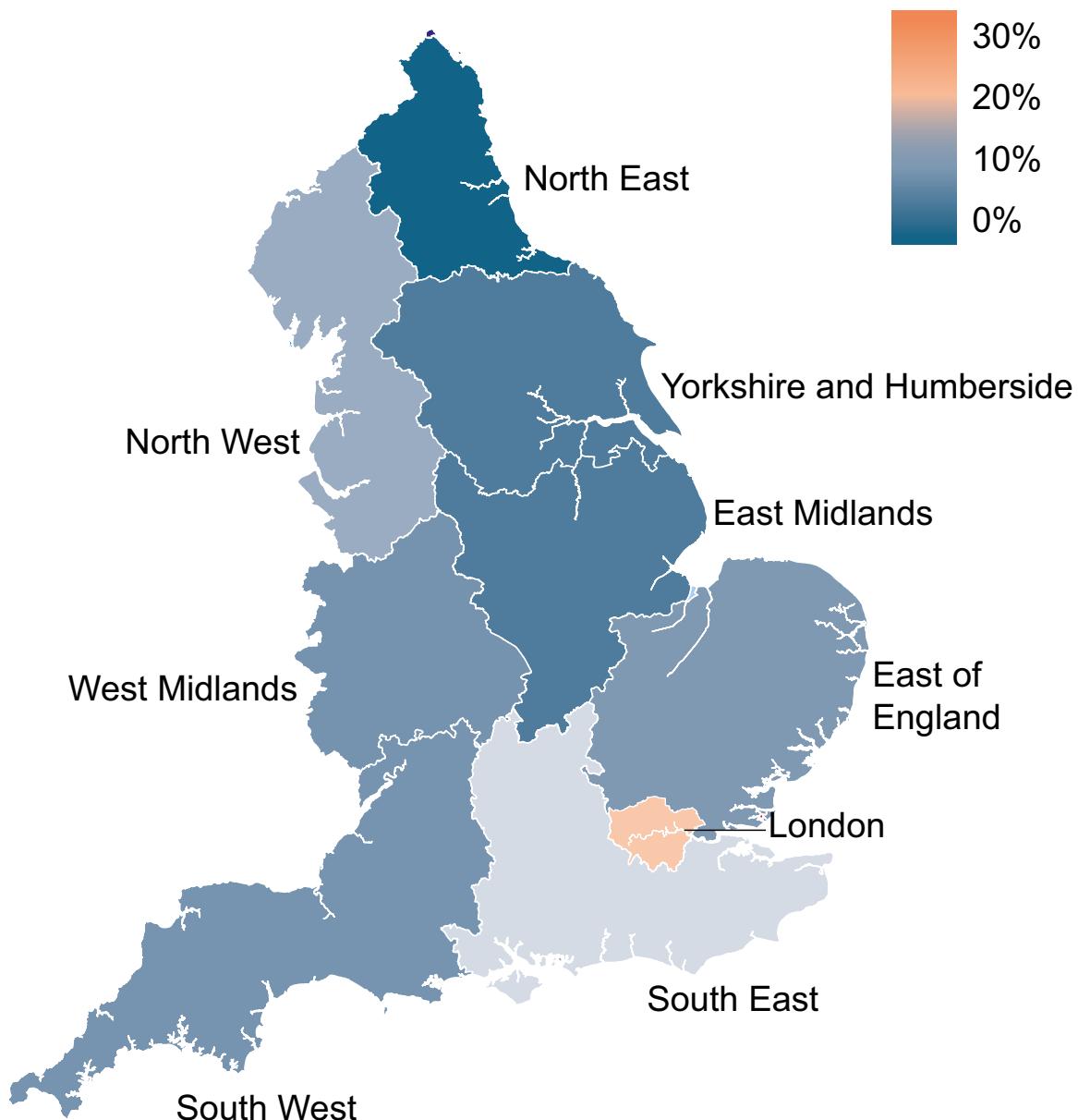
working class backgrounds to want or be able to move to London, where they can take advantage of this concentration of opportunities.⁹

Distribution of professional and financial enterprises by region



⁹ Social Mobility Commission, *Moving out to move on*, 2020.

Distribution of all enterprises in England



Businesses in the sector are increasingly recognising the impact of this pattern and seeking to address it by increasing flexible working arrangements and opening regional offices, where client opportunities permit. This activity has since been accelerated by the impact of COVID-19. Outreach activities aimed at schools, further education colleges and other institutions in social mobility coldspots, where movement is low,

encourage and support people to apply for roles that were traditionally only available elsewhere.¹⁰ Many businesses offer paid work experience or cover the costs of travel and accommodation to make these opportunities accessible to people who may be struggling financially. But the discrepancy between the geographic distribution of businesses and talent remains a challenge for the sector.

¹⁰ For more on social mobility coldspots, view the Social Mobility Commission's reports: [State of the nation](#), 2017 and [The long shadow of deprivation: regional disparities in England](#), 2020.

How is data used?

Many firms now collect data on socio-economic background from applicants and regulatory bodies (e.g. SRA, ICAEW) request that data be reported. This is helping to build a robust picture of applicants' diversity and the effectiveness of activities. However, more needs to be done with existing employees.

The businesses that have managed this most effectively have benefited from strong and visible commitment at senior levels. Companies need to start at the 'top', with a firm public statement from senior executives on their intention to create a diverse and inclusive workplace.¹¹



Who gets in?

The sector places a higher premium on degree-level qualifications than other industries. Well over half of employees are educated to this level or beyond, and its prevalence is greater than in other sectors. This reduces opportunities for those with alternative experience and skills.

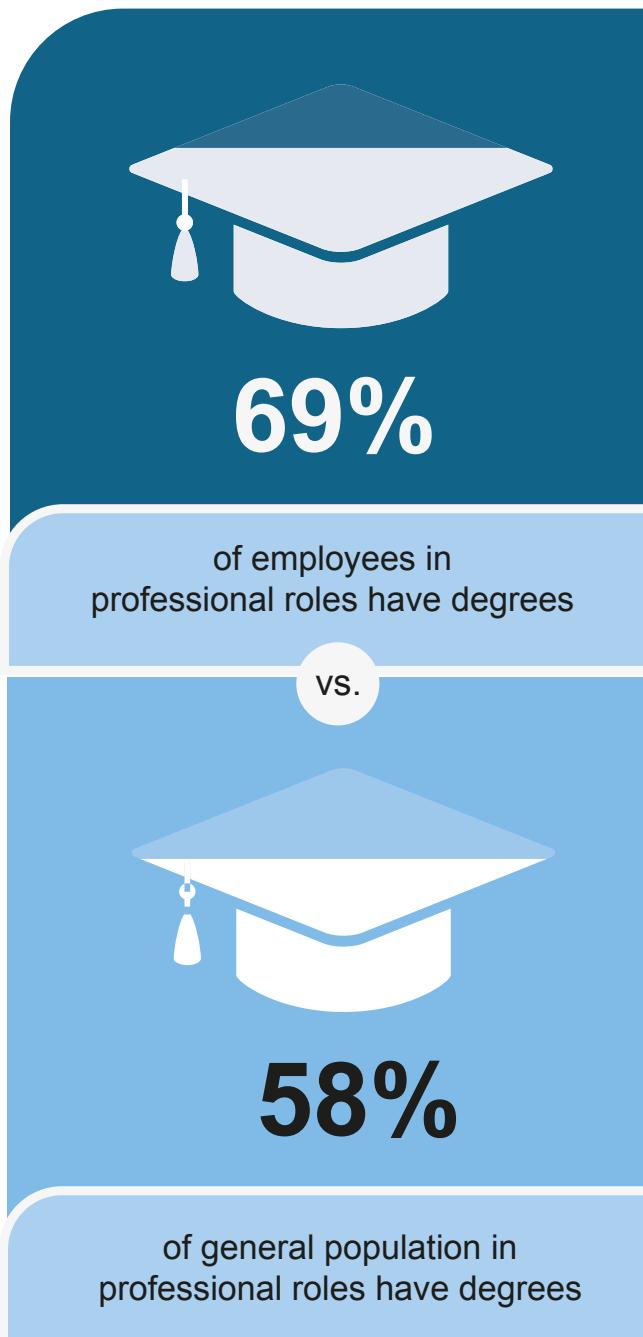
“

When I was starting on my legal journey, I was told that I wouldn't become a lawyer because I didn't go to the right university and I didn't get the highest grades. Overcoming these barriers has not been easy. I'm committed to boosting progression for individuals from lower socio-economic background across the financial and professional sector and am working with the City of London to co-chair their new taskforce.

– Sandra Wallace,
Social Mobility Commissioner and
Joint Managing Director Europe at
DLA Piper

¹¹ For more on the research behind this, view the Social Mobility Commission's report, [Increasing in-work training and progression for frontline workers](#), 2020.

Historical recruitment practices have favoured those with degree-level qualifications, but this is starting to change.



However, many firms are aiming to address this pattern by adopting recruitment and assessment practices that focus on applicants' skills and potential rather than qualifications. These firms recognise that while applicants from less advantaged backgrounds may not have had opportunities to gain impressive extra-curricular experience and may not initially be so confident in presenting themselves, they can demonstrate their intellectual abilities in other ways. Methods from digital assessment to mentoring and skills workshops are increasingly being used to level the playing field and to help these less privileged applicants present their 'true selves'. But the use of these methods is patchy at best and businesses can still learn from each other.

Apprenticeships can be a great way to diversify your talent, but they don't automatically benefit social mobility. Schemes can be open to all, but it is important that they target and support people from lower socio-economic backgrounds, who benefit the most from these schemes.¹² If done right, apprenticeships can progress career starters in a similar way as graduate schemes, and even offer apprentices degree-level qualifications, but it is important these parallel paths do not create a cultural divide within the business.

Distribution of the professional workforce by highest qualification achieved.

12 Social Mobility Commission, [Apprenticeships and social mobility: fulfilling potential](#), 2020.



Who gets on?

The industry has been very focused on outreach and recruitment practices, but so far there has been less emphasis on activities to support staff from less advantaged backgrounds progressing up the ladder. Barriers to 'getting on' range from a culture that is not as inclusive as it could be, to structures that benefit some more than others.

The FPS class pay gap is stubbornly high

11% 

Employees with a working class background are paid an average of 11% less than otherwise similar employees with a professional background in the sector, after controls.^{13,14}

Personal characteristics do not appear to be influential: neither gender, disability status nor health status is significantly associated with pay.¹⁵ BAME employees appear to earn 10% less on average than their white counterparts, but this effect is of borderline statistical significance.¹⁶

¹³ This model has an R-squared value of 0.53, meaning that 53% of the variation observed in the pay variable can be explained by the model.

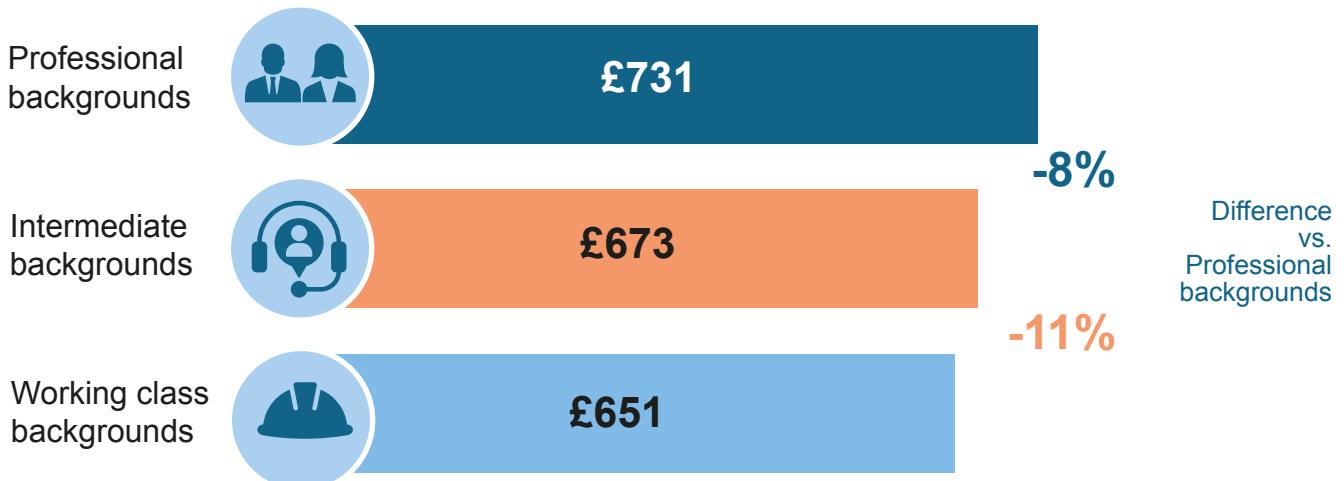
¹⁴ This model was run using 837 respondents from the July to September quarter of the Labour Force Survey. Other variables included in the model are gender, age, ethnicity, disability status, health status, marital status, region of workplace, number of dependents in household and year of LFS data collection. The training variable refers to whether an individual has received training in the three months prior to responding to the survey only.

¹⁵ In the case of gender equality, note that this is a comparison between individuals who are otherwise similar (i.e. in a similar job) as opposed to a basic comparison between male and female earnings in the sector.

¹⁶ p-value=0.06.

PFS: Socio-economic background and weekly pay in the FPS industry

Median weekly pay* for those from different socio-economic backgrounds

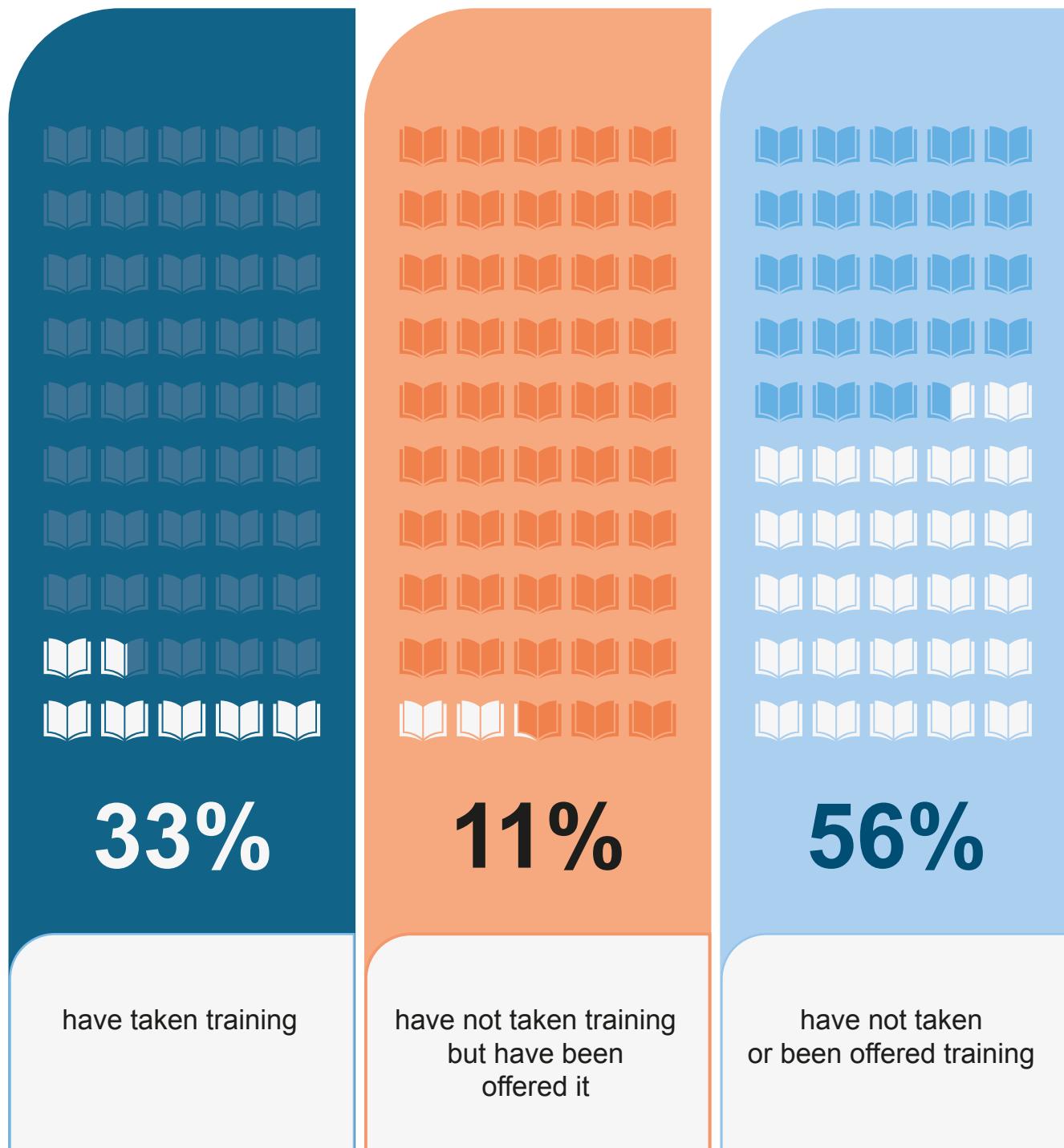


* Median weekly pay for individuals with higher socio-economic background based on the LFS, against modelled median weekly pay for individuals from intermediate and lower socio-economic background who are otherwise similar (in terms of characteristics included in the model).

Overall, training is widely offered in the sector, but employees in lower-ranking jobs are substantially less likely to take up opportunities than their peers. These barriers prevent firms from making the most of the talent they have. Employees who have received training in the past 3 months earn 16% more than those who have not; and those holding a degree as opposed to just A-level qualifications earned on average 9% more.



Almost half of employees have been offered training recently...



but those in professional and intermediate roles are much more likely to take it up¹⁷



¹⁷ Data sourced from the January to March quarter of the Labour Force Survey (LFS) from the years 2017 to 2019; analysis conducted as part of the Social Mobility Commission's research to develop this toolkit.

Intersectionality¹⁸

Strong diversity and inclusion strategies recognise that no one experiences a characteristic in isolation and that intersectionality is important to driving success.

Ethnicity

The sector's workforce is predominantly white (84%), but overall levels of social mobility are a little higher among employees from BAME groups. Almost half (49%) of non-white employees in professional roles have a working class background (vs. 43% for white employees). However, BAME groups do differ in terms of their representation in professional roles. Asian and Chinese employees are particularly likely to hold these roles (71% and 89% respectively). This compares with 56% for Black employees, and 69% for white employees.

Gender

The sector overall is roughly equally balanced between genders, yet 80% of men hold professional roles compared to 57% of women. This results in notable gender inequality in roles at the professional level. However, social mobility is slightly better among women than among men: 47% of women in professional roles come from a working class background, compared to 43% of men. So, while women overall are less well represented in these roles, this picture is reversed when considering just those from working class backgrounds.

Disability

Around 1 in 10 (11%) of employees in the sector have a disability, and 56% of these employees hold a professional role. The equivalent figure for non-disabled employees is 70%, so disabled employees are under-represented in professional roles. A similar inequality exists with regard to social mobility: 39% of disabled employees in professional roles come from a working class background, compared to 45% of non-disabled employees. This may indicate a possible cumulative disadvantage for those who are disabled and from a working class background, although there may be other, unknown reasons for the disparities in the data, so employers should take note.



¹⁸ Sample numbers in the Labour Force Survey mean that the analysis has had to combine employees from intermediate and working class backgrounds (here referred to as 'working class backgrounds') to indicate social mobility up into professional roles.



Strategic approach

The figure below highlights the key aspects of a strategy that you can follow, drawing on best practice from the most successful employers.

The following pages show how to implement these elements, whether your firm is starting out on this journey (developing) or has ambitions to be among the best (optimising).

A successful strategy combines several linked elements.





Using data

Measuring your socio-economic diversity is critical to driving success. Here is a guide on what questions to ask and why, how to analyse and interpret results, and comparing results with benchmarking data.

Regardless of where you are on your journey, you should ask applicants, apprentices and your workforce this question:

Question 1: What was the occupation of your main household earner when you were aged about 14?

- **Modern professional and traditional professional occupations** such as teacher, nurse, physiotherapist, social worker, musician, police officer (sergeant or above), software designer, accountant, solicitor, medical practitioner, scientist, civil/mechanical engineer.
- **Senior, middle or junior managers or administrators** such as finance manager, chief executive, large business owner, office manager, retail manager, bank manager, restaurant manager, warehouse manager.
- **Clerical and intermediate occupations** such as secretary, personal assistant, call centre agent, clerical worker, nursery nurse.
- **Technical and craft occupations** such as motor mechanic, plumber, printer, electrician, gardener, train driver.
- **Routine, semi-routine manual and service occupations** such as postal worker, machine operative, security guard, caretaker, farm worker, catering assistant, sales assistant, HGV driver, cleaner, porter, packer, labourer, waiter/waitress, bar staff.

- **Long-term unemployed** (claimed Jobseeker's Allowance or earlier unemployment benefit for more than a year).
 - **Small business owners** who employed fewer than 20 people such as corner shop owners, small plumbing companies, retail shop owner, single restaurant or cafe owner, taxi owner, garage owner.
 - **Other** such as retired, this question does not apply to me, I don't know.
 - **I prefer not to say.**
- **Why ask?** This is the best measure we have to assess someone's socio-economic background. Not only that, but it's easy to understand, it gets the highest response rates in testing, and it's applicable to those of all ages and from all countries.¹⁹
 - **How to analyse?** Report socio-economic background in 3 groups, following this guide:
 - **Professional backgrounds** – modern professional and traditional occupations; senior or junior managers or administrators
 - **Intermediate backgrounds** – clerical and intermediate occupations; small business owners
 - **Working class backgrounds** – technical and craft occupations; long-term unemployed; routine, semi-routine manual and service occupations
 - **Exclude or report separately** – other; I prefer not to say

19 For more, see the Cabinet Office's research on this question: [Measuring Socio-economic background in your Workforce](#), 2018.

- **How to interpret?** Review the proportion of applicants and staff members from each socio-economic background – is there equal or close to equal representation from each group? If not, which is the dominant socio-economic group? Compare your results to the following national, industry and sub-sector benchmarks on pages 7–8 of this toolkit.
- Use this longitudinal data to see how your business is performing over time.²⁰
- **How to interpret?** Review the proportion of applicants and the workforce who attended an independent or fee-paying school. Compare your results to the following national benchmark:

7.5% 

7.5% attended independent schools²¹

If you are already implementing diversity and inclusion initiatives, want to get a fast-track to ‘optimising’ status, or find it easier to embed new questions in your HR system at the same time, ask two more questions:

Question 2: Which type of school did you attend for the most time between the ages of 11 and 16?

- State-run or state-funded school
- Independent or fee-paying school
- Independent or fee-paying school, where I received a means-tested bursary covering 90% or more of the overall cost of attending throughout my time there
- Attended school outside the UK
- I don't know
- Prefer not to say
- **Why ask?** This measure shows extreme advantage. Our joint research with the Sutton Trust, [Elitist Britain](#), shows how private school attendees are over-represented in many of the UK's top jobs. Plus, many employers in your sector have collected this measure for years.



²⁰ Our partners at the Social Mobility Foundation additionally suggest advanced employers (and law firms, who are required to by the SRA) include ‘Selective state school’ and ‘Non-selective state school’ in the response categories for this question to get an even clearer picture of the type of school respondents attended.

²¹ Department for Education, [Schools, pupils and their characteristics](#), 2019

Question 3: If you finished school after 1980, were you eligible for free school meals at any point during your school years?

- Yes
 - No
 - Not applicable (finished school before 1980 or went to school overseas)
 - I don't know
 - Prefer not to say
- **Why ask?** This is a measure of extreme economic disadvantage. Roughly, the poorest 15% of the population received free school meals. It's easy to understand and many firms have been tracking it for years, giving you longitudinal data.
 - **How to analyse?** Link 'yes' responses to economic disadvantage.
 - **How to interpret?** Review the proportions of applicants and staff members who were eligible for free school meals – what is the size of the group compared to those who were not eligible?
 - **How to benchmark?** Compare your results to the following national benchmark:

15% 

15% of pupils at state-funded schools are eligible for free school meals²²

Question 4: If you have a graduate scheme, ask this additional question to your graduate hires only:

- **What to ask?** Did either of your parents attend university by the time you were 18?
 - No, neither of my parents attended university
 - Yes, one or both of my parents attended university
 - Do not know / not sure
 - Prefer not to say
- **Why ask?** Being the 'first in family' to attend university is an acute form of disadvantage and signals a lack of support to navigate university and entry into the graduate workforce.
- **How to interpret?** Review the proportions of new graduate hires who said 'no' and are thus first in family to attend university and compare it to the national benchmark.
 - 67% of graduates are first in family to attend university.²³

Driving up response rates

Enabling high response rates to these questions is as important as asking them. Applicants and employees may not be used to being asked and may worry about providing this type of information; you need to build trust.

Applicants and employees are more likely to engage positively with these questions if they see them as an integrated part of your strategy for promoting diversity and inclusion.

22 As above.

23 Henderson, M. / Shure, N. / Adamecz-Volgyi, A. / Moving on up: 'first in family' university graduates in England, 2020.

Issues around data storage and use are critically important, as some respondents may be concerned that their data could disadvantage them or encourage discrimination or harassment.

You need to be clear about:

- whether individuals can be identified from the data they provide
- whether information will be stored separately from personal details and in line with data protection rules
- who will have access to the information
- whether they might be contacted as a result of the information they have given, for example, to share materials about support related to a protected characteristic (though this is generally discouraged)

Assess your progression

Use this data to not only look at who gets in but also who gets on.

Understand how your inclusion and progression are working within your firm.

Follow these steps:

- **Breakdown your current workforce:** Ensure your dataset allows you to look at a person's socio-economic background and their seniority level (e.g. partner, associate).
- **Analyse the data:** Group seniority levels together (e.g. all at 'partner level') and identify the percentage at each level by the 3 socio-economic background groupings (professional, intermediate and working class).
- **Interpret the results:** Is there equal or close to equal representation of socio-economic backgrounds at each seniority level? Is there a group that dominates a certain level? Does your data have a 'cliff edge' effect, where those from lower socio-economic backgrounds suddenly fall off, or a 'pyramid' effect, where they slowly drop off the higher the level?
- **Adjust your strategy:** Understanding where those from lower socio-economic backgrounds stop progressing will help you target interventions.

Case study: Boosting survey response rates at PwC

Achieving high response rates to questions on socio-economic background can be challenging. PwC have increased response rates from 30% to 80% on a number of key measures in the last two years. Their approach included having senior leaders championing the issue and contextualising the request in the problem they were hoping to help to solve.



Firmwide messages from PwC's Chief People Officer, a newly formed social mobility network and sharing personal social mobility stories all encouraged completion of the survey. PwC also incorporated the questions into its annual, firmwide compliance training.

Information on how the data would be used was included, along with the purpose: to help improve equality of access to opportunities in the firm, as part of their wider social mobility activity. As a result of these efforts, responses to questions about socio-economic background rose by 50% to over 80% in total, allowing PwC to conduct further analysis looking at intersectionality of characteristics as well as progression and retention rates.

The foundations: the ‘must have’ interventions

This toolkit provides two levels of guidance: one for organisations looking to develop a strategy for increasing socio-economic diversity, and one for those wanting to optimise their approach. In many cases the activities recommended at each level are related, but distinguished by scale, detail or commitment.

But for those just starting out on their social mobility journey, these are the first steps. All of these are ‘must have’ interventions, so if you can only do a few things to start, ensure you are doing these.

Data	<p>Communicate – share why and how data is being collected and analysed to understand socio-economic diversity, alongside other diversity data.</p> <p>Collect and use your data – follow the steps in the previous section. If you can see what is happening you can target the change.</p> <p>Measure your success – build key performance indicators around your socio-economic diversity data into your firm’s performance.</p>
Leadership and culture	<p>This is a business strategy and must be owned by senior officials – regardless of size of your organisation, the CEO or another senior official must be accountable for the delivery, whether part of their job or part of a team.</p> <p>Leaders must speak out – to gain employees’ trust, leaders must show their whole self and participate in internal communications about the importance of the agenda.</p> <p>Normalise the social mobility conversation – get people to publicly share their stories.</p> <p>Get lots of people involved – build a social mobility network or champion forum. The momentum happens when people get involved.</p>
Outreach	<p>Don’t re-invent the wheel – work with partners on our directory and use their expertise.²⁴</p> <p>Choose one intervention and do it well, then build from there.</p> <p>Target schools and further education colleges in social mobility coldspots or with high levels of free school meals.</p> <p>Activate your social mobility network – get them involved. If applicable, encourage members to use volunteer days to support outreach work.</p>

²⁴ <https://www.socialmobilityworks.org/organisation-directory/>

Hiring	<p>Remove qualification barriers – qualifications can often exclude disadvantaged applicants who may not have had the best opportunities but who can thrive in your organisation.</p> <p>Use inclusive language such as “We’re looking for a spark of potential. Don’t worry if you don’t think you have it – we’re good at spotting it.”</p> <p>Keep in contact – once a job is offered, keep in contact and use the time to develop their skills before joining.</p> <p>Evaluate often – use your data to understand where your process can be improved.</p>
Progression	<p>Use your data – follow the steps in the previous section to see where individuals from a lower socio-economic background stop progressing.</p> <p>Ensure managers at all levels are offering training and progression conversations – a crucial part of enabling individuals to develop are clear opportunities to get training and career conversations.</p> <p>Reduce informal ways to progress – sponsorships, accelerator roles and informal networks or norms can give those from privileged backgrounds a leg up.</p> <p>Clearly define the skills required to progress each level and align interview criteria to reflect this.</p>
Advocacy	<p>Be public with your commitment to social mobility – share your organisation’s commitment and targets with progress updates.</p> <p>Everyone can be an advocate of social mobility – collaborate within your sector and wider ecosystem, listen, learn, present, share, and work together for a societal change.</p>
General	<p>You don’t need a huge budget – start, prove a concept so the value can be seen, and go from there.</p> <p>Start with the right mindset and belief in socio-economic diversity – you will have challenges and hurdles to overcome. Start with a base of commitment and conviction for your actions.</p>

Data

Why is it important?

It's only when you know where you are that you can decide where you want to go. Data should be the foundation of your effort. Understanding the social background of your employees will allow you to see the true position of your organisation, and the success and sustainability of all of your activities.

“

By using datasets, organisations have been able to assess progression rates by combining multiple demographic variables.

The Bridge Group, in partnership with the City of London Corporation²⁵



²⁵ The Bridge Group, *Pathways to partnership: challenging the myth of meritocracy*, 2020.

Legal and accountancy firms please also refer to Appendix A for additional data recommendations that may be required by regulators.

	Developing	Optimising
Collecting data: How to encourage employees to disclose data and how to collect it	<ul style="list-style-type: none"> Follow guidance in the prior section, ‘Using data’, and ask your applicants, apprentices and workforce Question 1. Communicate a clear message and intent to your employees about your economic diversity, and the importance of understanding your employees’ socio-economic backgrounds. Assure your employees that their data will be stored and handled in line with GDPR best practice, and only used in aggregate to make better decisions about fairer employment practices. It will not be: <ul style="list-style-type: none"> used for appointment and promotion decisions accessible beyond the core team in HR or corporate and social responsibility. Aim for a 66% response rate. Employees can face immense pressure to record all their time, which can discourage them from completing surveys. Firms need to be encouraging and support employees’ workloads to allow time to complete surveys. 	<ul style="list-style-type: none"> Follow guidance in the prior section, ‘Using data’, and ask your applicants, apprentices and workforce Questions 1, 2, 3 and, if applicable, 4. Use questions on other surveys that collect diversity data. For example: <ul style="list-style-type: none"> internal communications annual employee surveys Where appropriate for your industry, add questions to compulsory surveys (always with the option ‘prefer not to say’). Aim for a 70% response rate to the question (those selecting something other than ‘prefer not to say’). Drive inclusivity by sharing response rates internally, including longitudinal progress. Include senior managers by informing them of progress and targets in their areas, providing them understanding on how the data is being used. Encourage managers to take ownership of response rates. Target encouragement and support at divisions or teams where response rates are low. For external reporting on data, see ‘Advocacy’ section.

	Developing	Optimising
Profiling: How you examine your data and create informative summaries	<ul style="list-style-type: none"> To get an overview of your firm's level of socio-economic inclusion, compare workforce data on socio-economic background with national and industry benchmarks (e.g. pages 7-8). Use data to inform and drive your strategy (e.g. use applicants' responses to see if those from working class backgrounds are applying and are successful). 	<ul style="list-style-type: none"> To get a more detailed look at the firm's socio-economic profile, benchmark the disaggregated data by seniority level (e.g. partner, senior associate, junior associate). Analyse intersectionality between socio-economic background and other characteristics (e.g. gender, race). Look at different outcomes (e.g. pay, performance ratings, retention).



Leadership and culture

Why is it important?

Leaders set the tone of organisations. For you to take social inclusion seriously, this must be more than an HR story. It has to become an issue that occupies the minds of your senior management, changing mindsets and behaviours across your culture.

Companies with the most diverse boards worldwide are 43% more likely to have higher profits.²⁶



26 McKinsey & Co, *Delivery through Diversity*, 2018.

	Developing	Optimising
<p>People: Who in your organisation will help shape and drive a socially inclusive culture?</p>	<ul style="list-style-type: none"> • Have visible role models from low socio-economic backgrounds; share stories of experiences and challenges to ensure visibility, unity and understanding at all levels of the institution. • Co-create and develop with your employees an employee-centric model for inclusion and diversity to build a truly diverse and inclusive culture (see ‘Narrative’ and ‘Inclusion’ sections below). • Appoint a senior champion with an informed and respected voice to advocate for socio-economic diversity and inclusion internally. • Set aside board time to make the business case for increasing socio-economic diversity throughout the organisation, and to outline how this will be achieved, and in what timescale. • Appoint an individual who will take management and operational responsibility for monitoring socio-economic diversity and inclusion within the firm and implement ways in which it can be improved. • Ensure that communication is not all ‘top down’; establish an employee-led social mobility network where senior leaders can listen and amplify diverse voices. 	<ul style="list-style-type: none"> • Appoint a senior leader with an external profile as a leading advocate for socio-economic diversity and inclusion. • Appoint individuals at all levels to be accountable to the board for this agenda and communicate this internally. • Convene a community of managers or champions with individual accountability to advocate socio-economic diversity internally. • Ensure there is: <ul style="list-style-type: none"> ■ routine collaboration between HR, division heads and corporate and social responsibility leads in delivering the strategy ■ significant cross-working with other diversity focus areas (e.g. gender and ethnicity) ■ strong support for and ownership of the strategy throughout the organisation so that each team understands their role • Deliver training on how to deal with micro-aggressions, harassment and bullying to place greater accountability on actions. • Connect with charities who can lend their expertise on how to build strong leadership and culture focused on social mobility. • Share your sector-wide collaboration efforts (see ‘Advocacy’ section for more detail).

	Developing	Optimising
<p>Narrative: Communicating your commitment to developing a socio-inclusive culture</p>	<ul style="list-style-type: none"> • Engage middle and senior colleagues in crafting a narrative about socio-economic diversity that highlights: <ul style="list-style-type: none"> ■ its importance and the rationale for focusing on it ■ how it relates to other forms of diversity ■ the current situation in your organisation, citing internal evidence ■ where you wish to get to, and how you will achieve it • Use easy-to-remember phrases, such as 'potential, not polish'. • Celebrate the variety of entry routes into the firm to remove 'stigma' attached to some non-traditional entry routes (e.g. apprenticeships). • Provides examples and insights of the impact of micro-aggressions and exclusionary behaviours. • Include elements of this narrative in regular internal communications alongside other diversity areas to emphasise intersectionality. 	<ul style="list-style-type: none"> • Ensure the Chair and CEO are internally and externally public in their support for this narrative. • Ensure the narrative always features prominently in key communications, including your website, recruitment communications, annual reports and procurement materials. • Communicate evidence of positive organisational change in this area. • Showcase specific examples (e.g. managers who use their data to inform their interventions and hiring practices). • Offer reverse mentoring so that middle and senior managers directly hear about experiences of staff.

	Developing	Optimising
Accountability: Build a culture with accountability to accelerate and facilitate the change	<ul style="list-style-type: none"> • Communicate internally that data is being collected and analysed to understand socio-economic diversity, alongside other diversity data. • Set targets using internal and external data benchmarks and analysis (see our scorecard for suggestions).²⁷ • Produce annual reports for internal publication. • Support managers with tools so they can make informed day-to-day team, client and project decisions with inclusion and diversity in mind. 	<ul style="list-style-type: none"> • Ensure there is board accountability for targets and make progress a standing item on the board agenda. • Share performance against targets publicly. • Share data with managers and link their accountability for diversity and inclusion targets to their performance review and promotion. • Ensure jobs with management duties require prospective candidates to speak about their inclusion approaches as a requirement for progression. • Produce annual reports for external publication (see 'Advocacy' section).



27 Visit www.socialmobilityworks.org for more.

	Developing	Optimising
<p>Inclusion:</p> <p>How you can help establish a sense of belonging for everyone, enabling individuals to bring their best self to work everyday</p>	<ul style="list-style-type: none"> • Listen to your workforce; create opportunities for employees to engage with the narrative on socio-economic diversity, normalising the conversation, for example: <ul style="list-style-type: none"> ■ social mobility networks ■ other employee networks to demonstrate intersectionality and to amplify your efforts in this space and the importance of reporting ■ focus groups to evaluate your performance ■ internal events, webinars and podcasts ■ physical and online fora for employees to share views and experiences where appropriate ■ share evidence and practice from across the sector • Use existing initiatives that focus on specific protected characteristics (e.g. ethnicity or gender) and build in an additional socio-economic or/and intersectionality view to enable broader inclusion. • Review HR policies and procedures to support socio-economic diversity (e.g. paying a living wage, supporting travel expenses for applicants or having flexible working practices). 	<ul style="list-style-type: none"> • Engage with your supply chain in advancing socio-economic diversity, with contractual obligations where appropriate (e.g. about unpaid internships, becoming an accredited voluntary Living Wage employer, diversity in their recruitment and data collection). • Explore how and in what ways client perceptions and expectations affect who gets ahead and address those proactively and positively through client-led conversations and community work.

	Developing	Optimising
Inclusion: continued	<ul style="list-style-type: none"> • Ensure your anti-discrimination policies clearly incorporate and relate to socio-economic background, and that managers understand this. • Build into internal diversity and inclusion training programmes themes specific to social mobility such as accent bias. 	

Case study: Role modelling through storytelling at Linklaters

Linklaters

Linklaters was aware of the potential for employees from lower socio-economic backgrounds to feel like they weren't truly fitting in at work and might not be able to identify with anyone else from a similar background because of assimilation.

As a result, the firm launched storytelling campaigns to raise awareness of the number of its people from disadvantaged backgrounds succeeding in the firm. 'Know my Name, Know my Story' is one of several campaigns featuring employees from all levels and across both the law and business functions of the firm. The campaign highlighted people's social mobility journey – the type of school they came from, what they felt coming into the profession and what their career journey has been. Senior partners and lawyers from disadvantaged backgrounds were also presented as role models.

The campaign has helped shed light on their diversity and inspire others to progress via role modelling.

Outreach

Why is it important?

The best talent may not be in the obvious places. When it comes to recruitment, is your organisation fishing in the same pond or reaching out to where the best talent can be found? A progressive recruitment policy means reaching out to inspire talented individuals whose backgrounds might have prevented them from applying to your company, and providing innovative paths of entry to a rewarding career.

Those with the longest journey have the most to offer. Employees from lower socio-economic backgrounds on average perform as well as their more advantaged peers.²⁸

	Developing	Optimising
Design: How you establish your areas of focus	<ul style="list-style-type: none">Commit the organisation to broadening its recruitment pool by reaching out to a wide set of education providers (e.g. FE colleges as well as schools).Devise a strategy to ‘open doors’ for a new, fresh and diverse intake that might otherwise have been missed.Appoint ‘ambassadors’ to inspire and inform a new generation of potential employees whose circumstances might otherwise have excluded them from your profession.See this as a form of marketing as well as a more enlightened recruitment policy.	<ul style="list-style-type: none">Involve employees, particularly those from diverse backgrounds, in the design and implementation of the outreach programme.Target activities at young people with ‘potential, not polish’, including in social mobility coldspots and at schools and further education colleges with high rates of free school meals, using publicly available school and college data.^{29,30}Draw on teachers’ views of what will benefit pupils most through surveys, questionnaires and career fairs to help feed into your plan.

28 From research which supported the creation of the Social Mobility Commission’s cross-industry toolkit www.socialmobilityworks.org

29 For more on social mobility coldspots, view the Social Mobility Commission’s reports: [State of the nation](#), 2017 and [The long shadow of deprivation: regional disparities in England](#), 2020.

30 To find schools and colleges with higher rates of free school meal intakes, use government’s [‘Find and compare schools in England’ tool](#).

	Developing	Optimising
Design: continued	<ul style="list-style-type: none"> • Develop a clear overarching strategy for outreach work involving: <ul style="list-style-type: none"> ■ a strategic plan setting out clear and measurable targets that benefit the target audience ■ activity focused on achieving specific outcomes for pupils (e.g. awareness of certain roles/professions, presentation, teamwork and problem-solving skills) ■ partnerships with other organisations that seek to improve skills such as English and maths, as well as softer skills (e.g. skills builder or Gatsby framework) • Use different methods of delivery to widen your organisation's reach (e.g. virtual and face-to-face). • Ensure that outreach activities are joined up across different teams in the organisation. • Take advantage of the numerous existing mechanisms for outreach to non-fee paying schools or comprehensive schools – don't invent it all yourself (see organisation directory).³¹ 	<ul style="list-style-type: none"> • Ensure success measures are overseen and owned by senior colleagues. • Link outcomes for pupils engaged in early outreach to the Gatsby Benchmarks.³²

31 <https://www.socialmobilityworks.org/organisation-directory/>

32 Gatsby, *Good Career Guidance*, accessed 2020.

	Developing	Optimising
Design: continued	<ul style="list-style-type: none"> Provide training to staff on how to interact with students in a way that means when students visit the workplace, they feel welcomed, valued, secure and confident. The aim is to provide opportunities and remove barriers rather than purely building aspirations. Create a pre- and post-evaluation survey to monitor impact. 	
Delivery: How you go about executing your plan	<ul style="list-style-type: none"> Deliver a long-term programme of complementary activities with multiple touch points rather than separately (e.g. proactive mentoring with work experience placements). Make outreach participants aware of opportunities to progress into the organisation and expectations about what is required. Ensure internships, insight days and other work experience opportunities are targeted at a diverse range of applicants. Ensure these opportunities are publicly advertised, paid at least the voluntary Living Wage and, where appropriate, supported with travel stipends or other bursaries. 	<ul style="list-style-type: none"> Create your programme to develop sustained relationships with participants. Develop materials and guidance that wider influencers can draw on, including teachers and parents. Deliver activities in collaboration with other employers and the further education and higher education sectors (e.g. Access Accountancy). Include digital activities to promote scale, access and breadth in engagement. Work with organisations who understand best practice, the digital divide and safeguarding online.

Developing	Optimising
<p>Delivery: continued</p>	<ul style="list-style-type: none"> • Provide specific opportunities for participants to maintain engagement: <ul style="list-style-type: none"> ■ regular ‘touch-base’ conversations outside of formal activities (especially important in virtual programmes) ■ a pipeline of activities, communications and learning ■ varied pathways into the organisation for those who are interested (e.g. apprenticeships that can lead to a similar result as graduate schemes) • Analyse data to examine how participation converts to appointments and how this varies by social background. • Ringfence some internships for applicants from under-represented groups, including by socio-economic background. • Provide elements of the graduate or apprenticeship application process to individuals at internship/ work experience application process level to provide a fast-track through to recruitment.

	Developing	Optimising
Evaluation: How you regularly evaluate outreach activities to provide data and inform future direction of interventions	<ul style="list-style-type: none"> • Use your strategic plan to identify key impact metrics and measure against these (use our scorecard for ideas).³³ • Collect data on participant characteristics to assess whether those engaged meet eligibility criteria. • Gather feedback from participants to understand: <ul style="list-style-type: none"> ■ whether they feel they have benefited from the outreach ■ if they would recommend it to peers ■ how activities can be improved 	<ul style="list-style-type: none"> • Use your strategic plan to assess impact of the activities against outcomes identified at all stages. • Validate and refine the strategic plan by tracking key behavioural and destination outcomes for participants, and verifying these against the outcomes highlighted in the model.

Case study: Teaching employability skills interactively at Vaultex



Vaultex set out to inspire students from disadvantaged backgrounds to pursue careers in the cash processing business and elsewhere. It joined the Warrington Pledge, where employers and schools work together to bridge the gap between industry and education, and implemented an interactive outreach programme to access the schools with the highest need based on pupil premium expenditure.

Students are taught employability skills such as CV writing, interviewing and IT coding, and when possible, sessions emulate a working environment. For example, students in coding workshops are grouped to code and create a game, developing their teamwork and presentation skills as well as their ability to work under short notice and to tight deadlines. The interactive workshops broaden career horizons and pique interest, particularly about STEM subjects among girls.

The workshops were launched in 2020 and delivered by a diverse group of volunteers from different business functions, allowing them to learn from each other too. The programme has already reached and inspired 45 students to pursue coding further, an increasingly sought-out skill.

33 Visit www.socialmobilityworks.org for more.

Case study: Educating and building career aspirations with KPMG



Work Ready is KPMG's education programme to reduce geographical disadvantage by increasing skills, confidence and general career aspirations in social mobility coldspots.

Using an algorithm-based tool, the firm targets the most disadvantaged schools and delivers day-long workshops to students in years 9 and 10. Workshops are followed by an extensive support programme, focused on developing listening, speaking, problem solving, creativity, staying positive, aiming high, leadership and teamwork skills. Students are taught how to apply their skills in a professional environment and gain exposure to technological developments via KPMG's partnerships.

Each year the firm supports 2,000 students. In 2019 it reached its 10,000th young person.

Case study: Subsidising work experience at Santander



Santander wanted to make their work experience programme truly accessible by offering disadvantaged students who can't afford unpaid work experience and travel costs the financial support they need.

The Work-Wise volunteering scheme not only teaches students from disadvantaged backgrounds professional skills, CV writing and interview skills, but also allows them to apply for work experience at the bank. Before COVID-19, when scheme events were held on site, the candidates would receive money to cover their travel and lunch expenses. Their 4-week work experience placement is paid the National Living Wage, as opposed to minimum wage, and candidates can automatically opt into the recruitment process for its apprenticeships, traineeships and graduate programmes.

All internships are paid positions, and through the 86 Santander University Partnerships, Santander supports over 2,000 students into paid internship opportunities with small and medium enterprises annually.

Hiring

Why is it important?

Your process for attracting talent will ultimately drive your talent pipeline. Widening your talent net will enable you to find brilliant individuals from diverse backgrounds. Look for potential, not pedigree or qualifications, and work to eliminate barriers and blockers.

87%



Inclusive teams make better business decisions 87% of the time – and twice as fast – delivering 60% better results.³⁴

Law and Accountancy firms please also refer to Appendix A for additional hiring recommendations.

	Developing	Optimising
Attraction: How your organisation connects with individuals from lower socio-economic backgrounds	<ul style="list-style-type: none">• Use inclusive language and test with students in your outreach programmes to ensure job descriptions have wide appeal (e.g. “We’re looking for potential rather than experience”).• Remove unnecessary qualifications, which can create barriers for applicants. Advertise for skills and provide examples where appropriate.³⁵• Be clear about the application process and what is assessed at each stage.• Ensure interview assessors are from a diverse pool.• Review the diversity of the educational establishments you target, ensuring they have a diverse intake, and make sure you are working with traditional and non-traditional institutions such as non-fee paying schools, FE colleges and non-Russell Group universities.	<ul style="list-style-type: none">• Use simple language when defining your desired competences and report the characteristics of those who progress in the organisation.• Undertake market research internally and externally to understand how applicants from different demographics respond to marketing materials, to inform future development.• Work with external organisations, careers services, specific faculties and other experts to design events, programmes and digital activities that engage under-represented groups.• Create inclusive online environments that give applicants detail on application processes and hiring approaches to support diversity and inclusion.

34 Cloverpop, White Paper: [Hacking Diversity with Inclusive Decision-Making](#), Accessed November, 2020

35 For help and ideas, visit <https://www.skillsbuilder.org/> and <https://www.financialservicesskills.org/>

	Developing	Optimising
Attraction: continued	<ul style="list-style-type: none"> • Design engagement activities that connect directly with a school, college or university's curriculum so that opt-in does not depend wholly on students' existing interests. • Target sponsorship at student societies and/or community groups which represent minority groups that are under-represented in your organisation. • Be transparent about eligibility criteria and the broad achievements of successful applicants for similar roles (e.g. typical A level or technical qualification grades, or skills other applicants have exhibited). • Ensure that when hiring from lower socio-economic backgrounds, should an applicant be unsuccessful, detailed feedback is given on specific areas of improvement. • Offer additional guidance to applicants such as dress codes for interviews. • Train hiring managers to disregard loud environments, poor WiFi connectivity or other features during virtual interviews. 	<ul style="list-style-type: none"> • Provide interactive access to your diverse role models for individuals from diverse backgrounds. • If you use an assessment tool, offer a practice test with feedback so applicants have the opportunity to practise for free. • Use assessment techniques that reduce your reliance on grades, previous internships, study abroad or other networks (e.g. contextualised recruitment).³⁶

36 For more on contextual recruitment, visit the [Sutton Trust, Social mobility in the workplace: an employer's guide, 2020](#).

	Developing	Optimising
Geography: How you are removing geographical blockers and barriers	<ul style="list-style-type: none"> • Review your policies and approaches to flexible working and ensure your offer to staff meets best practice.³⁷ • Target social mobility coldspots near you and investigate options for improving your levels of attraction and recruitment from these areas.³⁸ • Reimburse applicants who incur travel costs (e.g. to attend an assessment centre or to go to headquarters). • If a role requires relocation, ensure there is a budget available to support this. • Ensure IT systems enable any applicable job in the organisation is deliverable remotely; and subsequently aim to reduce required travel to headquarters. • If expectation is for remote working, ensure participant's home environment is conducive to working remotely; ensure they have the correct equipment, access to high-speed internet, appropriate working conditions. If not, provide a budget to purchase kit. Firms should not assume that everyone will have a laptop that they can use from home. 	<ul style="list-style-type: none"> • Assess social mobility coldspots as locations for new roles if your business is expanding – identify opportunities for supporting local economic renewal by providing new employment, as well as attracting new talent to your organisation. • Where appropriate, place 'headcount' limits on hiring in London and other expensive urban centres. • Set targets for offering and take up of training opportunities in regional hubs. • Evaluate the impact of flexible working arrangements on your ability to attract, recruit and develop staff from different parts of the country. • Create policies that enable employees to progress up the organisation without having to move to major city centres.

37 For more, see CIPD [Flexible working practices](#).

38 For more on social mobility coldspots, view the Social Mobility Commission's reports: [State of the nation](#), 2017 and [The long shadow of deprivation: regional disparities in England](#), 2020.

	Developing	Optimising
Geography: continued	<ul style="list-style-type: none"> • Ensure senior leaders communicate the effectiveness of remote working and that inclusion efforts are apparent at all levels of management. • Ensure informal check-ins are encouraged for virtual workers to avoid isolation (e.g. virtual 'coffee roulettes'). 	



	Developing	Optimising
<p>Entry routes: How your organisation is engaging with individuals through multiple entry routes (e.g. Trainee and internships, apprentices and graduate programmes)</p>	<ul style="list-style-type: none"> • Compare applicant data with external benchmarks to assess how well they reflect the eligible talent pool. • Consider how introducing a range of alternative routes into the organisation could support diversity. • If applicable, offer quality apprenticeships with: <ul style="list-style-type: none"> ■ entry at Traineeships or Level 2 and a clear sequence of apprenticeships above that, enabling an individual to go from Level 2 (GCSE equivalent) up to Level 6 (degree equivalent) ■ progression routes through the organisation or wider industry once completed ■ pastoral support from line managers (with training) and buddy arrangements ■ additional support to complete English and maths requirements at Level 3, if needed ■ higher pay than the Apprenticeship minimum wage (Legal sector please see Appendix A) 	<ul style="list-style-type: none"> • Offer a range of non-graduate routes with external and internal communications on how these vary in terms of: <ul style="list-style-type: none"> ■ the activities involved ■ who they may suit best ■ the competences required for each ■ the prospects of progression • Ensure higher level apprenticeships and other apprenticeships offered to existing employees are targeted at less advantaged individuals, as those from lower socio-economic backgrounds are routinely overlooked for training in this sector.

	Developing	Optimising
Evaluation: <p>How your organisation is evaluating potential candidates to enable socio-economic diversity</p>	<ul style="list-style-type: none"> • Ensure candidate assessment processes are transparent, with easy access to details. • Apply selection processes consistently to all candidates (e.g. avoid preferential treatment for those who apply earlier or decisions made by discretion). • Clarify to all assessors that applicants from lower socio-economic backgrounds may not have access to some premium experiences (e.g. extra-curricular activities, internships and studying abroad). • Support recruiting managers by providing interview training that includes the importance of diversity and individuals' differences. Recruiters need to practise a consistent open-minded look for potential and not judge on first impressions. • Conduct an annual evaluation of your selection processes' impacts on disadvantaged applicants, and redesign as needed. • Where panel interviews take place, ensure the panel has diverse representation, and that final decisions are made with transparency, against guidelines with a consciously objective approach to assessing the evidence. 	<ul style="list-style-type: none"> • Ensure that assessment centres include a range of activities and exercises that are independent of each other and led by different assessors. • Balance competency-based approaches with strengths-based assessment and situational judgement testing, as they have fewer negative effects on under-represented groups and are linked to job performance. • Monitor data during the application process to identify where diversity is low and take immediate action to increase diversity in the pipeline.

	Developing	Optimising
<p>Lateral hiring:</p> <p>How your organisation is enabling experienced workers from a lower socio-economic background to be successful</p>	<ul style="list-style-type: none"> Implement a robust induction process for lateral hires that demonstrates how talent is identified, valued and rewarded, and how they can bring diversity of thought into the organisation. 	<ul style="list-style-type: none"> Engage with your recruitment agencies to share data on the diversity of their candidate base.
	<ul style="list-style-type: none"> Avoid recruiting from the ‘magic’ or ‘silver’ circle or prioritising those who have trained at top firms. Brief recruitment agencies on your organisation’s commitment to advancing socio-economic diversity among hires, mentioning your desire for potential over polish. Ensure there is time in the recruitment processes to give sufficient attention to advancing diversity. Provide training and support for managers (see ‘Evaluation’ section). Monitor or remove the use of referral bonuses to avoid encouraging employees to recruit in their own image. Encourage applicants to anonymously self-report their socio-economic background alongside other diversity measures, explaining why it’s important they do even if they use the ‘prefer not to say’ option. Ensure processes for lateral hiring are followed by default, with any exceptions registered and fully explained. 	<ul style="list-style-type: none"> Require recruitment agencies to deliver diversity shortlists with respect to socio-economic background. Deploy current employees to support attraction activities and act as role models for under-represented groups. Where managers have autonomy, set managers socio-economic diversity targets in lateral hiring. Adopt a GDPR-compliant applicant tracking process to analyse data of individuals’ success throughout the interview process. Use contextualised recruitment practices and analyse data as mentioned for other hiring practices to understand lateral hires’ impact on diversity.

Case study: Allowing potential to shine through at Grant Thornton



Grant Thornton

Grant Thornton lowered the barriers that applicants from lower socio-economic backgrounds might face when applying to the sector.

In 2013, the firm removed academic requirements from its entry-level hiring programmes, instead basing decisions on rigorous competency-based interviewing. Previous emphasis on work experience and extra-curricular activities has been replaced by coaching for all candidates to help them tell their stories most effectively. Digital interviewing minimises travel time and costs, and reduces interviewer bias at the early stages.

As a result, of around 400 students who are accepted each year across 26 locations, roughly 50% are school leavers.

Case study: A fairer assessment process using technology at Accenture



Accenture wanted to make their graduate assessments more inclusive and less intimidating to candidates from lower socio-economic backgrounds who might not be as prepared or familiar with the process. It transformed the process to focus on potential and added a learning element to prepare candidates to showcase their best.

Accenture uses digital tools to identify potential, regardless of qualifications, and to support candidates through the process. Initial applications are contextualised before being reviewed alongside a profile of the candidate's interests, values and aspirations. To address any knowledge gaps that may place them at a disadvantage, a digital platform gives candidates a chance to learn about consulting and Accenture before being assessed. Virtual reality technology places candidates in situations where they can show their potential through their behaviour and attitudes.

Every year, 700 graduates are chosen from c.23,000 applicants on the basis of potential and merit rather than experience and background.

Progression

Why is it important?

Progression within an organisation is often tilted disproportionately towards those from privileged backgrounds. This can be a result of structural issues, or gaps in inclusion and hiring policies. It is important to look beneath the surface to discover hidden talents that can accelerate your firm. This is the next major area of focus for many organisations in the professional and financial service sector.

25%



Boosting socio-economic diversity at junior levels will not automatically lead to greater diversity at the top. Employees from lower socio-economic backgrounds take **25% longer** to progress through grades, with no link found to job performance.³⁹

	Developing	Optimising
Progression: How your organisation enables individuals from a diverse background to be promoted through your organisation	<ul style="list-style-type: none">Analyse data to understand how assessments, progression rates, pay and bonuses or other rewards may be affected by socio-economic background; examine how decisions about this are made (see section above on 'Using data').Create a clear definition of talent at each level of the firm, and an explicit narrative about what experiences, skills and behaviours should contribute to progression.Create clear processes and policies for work allocation and performance management.Consider whether your firm offers 'accelerator' roles or experiences, which enable individuals who access them to fast-track up the ladder.	<ul style="list-style-type: none">Undertake more advanced analyses to understand staff profiles and intersectionality in more detail, for example:<ul style="list-style-type: none">correlations between different diversity characteristics (e.g. socio-economic background, gender and ethnicity) and relative performance, pay and progressionregressions of different diversity characteristics (e.g. school attainment, university attended, gender and ethnicity) on progression rates throughout the organisationqualitative research to understand issues in more detail

39 The Bridge Group, in partnership with the City of London Corporation, Who gets ahead and how?: *Socio-economic background and career progression in financial services: an in-depth study of seven organisations*, 2020

	Developing	Optimising
Progression: continued	<ul style="list-style-type: none"> Promote and, if able, target training opportunities at those from low socio-economic backgrounds, who regularly receive less training at all levels of jobs. Ensure training opportunities are evenly taken up by those from all backgrounds. Provide support and empowerment for management to make informed decisions around business and diversity and inclusion culture priorities. Establish talent and leadership diversity training schemes that are targeted at those from lower socio-economic backgrounds. 	<ul style="list-style-type: none"> Empower senior leaders with key performance indicators about recruitment, retention, renumeration and progression of colleagues in their area from lower socio-economic backgrounds and with other characteristics; this then can be built into part of senior leaders' performance review processes. Ensure that performance management processes celebrate and reward individual strengths and differences, enabling individuals to shine and be promoted on worth, rather than needing to assimilate 'perceived' behaviours or conform. Reward management on developing an inclusive work environment in their team and on client projects. Processes for work allocation should be communicated clearly and regularly, with consequences for those who continually fail to follow firm processes. Career tracks must be redesigned to be more flexible, demonstrating alternative routes to senior roles. Where managers have autonomy, set managers targets regarding socio-economic diversity in their practices or teams to review decisions made in performance, pay and promotion.

	Developing	Optimising
<p>Inclusion: Providing an environment where individuals feel comfortable to bring their whole self to work</p>	<ul style="list-style-type: none"> • Create a culture where individuals can excel due to their individuality, rather than having to ‘fit in’ (see section above on ‘Leadership and culture’). • Create opportunities for employees to engage with the narrative on socio-economic diversity (see section above on ‘Leadership and culture’). • Discourage attitudes that can affect whether an employee progresses in the business (e.g. an employee is not working unless they are physically at a desk in view of their manager, choice between work-life or family life). • Support management and employees to host inclusive team social activities to erode any potential systemic bias. • Be mindful of the types of questions you ask employees on a social level (e.g. “Where do you ski?”, “Where do you summer?”), which can be exclusionary. 	<ul style="list-style-type: none"> • Engage with your supply chain in advancing socio-economic diversity (see section above on ‘Leadership and culture’). • Engage clients in conversation about social mobility and inclusion; explore how and in what ways client perceptions and expectations affect who gets ahead and address those proactively and positively through client-led community work.

	Developing	Optimising
<p>Opportunities: Providing information and support for career routes throughout the organisation</p>	<ul style="list-style-type: none"> • Ensure that those taking non-graduate routes receive comparable opportunities for progression and reward as those taking graduate routes. • Develop and support management to enable them to understand and effectively manage individuals based on their strengths and differences. • Ensure middle managers visibly support the offer of training, development and progression opportunities for low-skilled workers. • Provide clear information about available training so that colleagues can request access to these themselves. 	<ul style="list-style-type: none"> • Implement rigorous processes for succession planning to: <ul style="list-style-type: none"> ■ avoid rushed hiring processes to replace leavers (which risks compromising consideration of diversity) ■ reduce the effectiveness of individuals threatening to leave to gain advantage (which is more common among dominant groups) • Develop support interventions for individuals to navigate the organisation. These could include mentor or sponsorship programmes. • Provide career counselling and coaching to enable individuals to overcome current sector innate blockers or barriers.

Case study: Progression via apprenticeships at Capgemini



Capgemini is committed to offering opportunities to everyone, regardless of their background or circumstances, and runs award-winning apprenticeship programmes giving young people a route into an industry that was previously only for graduates.

Capgemini has developed a 5-year pay and progression model, which is designed to support and accelerate progression through apprenticeship grades and salary levels. The organisation offers apprenticeships in areas including digital technology solutions, chartered management, cybersecurity and software development – with 124 degree apprenticeships completed to date.

Although the apprenticeships are open to all, two-thirds of those starting on the programme in 2019 had attended a non-selective state school and 44% were the first generation to attend university in their family. Apprentices gain recognition for their commitment and performance, with 68% achieving promotion to the next grade in 2018; during the 4.5-year degree apprenticeship, the average number of promotions is four.

Advocacy

Why is it important?

As an organisation that is developing its track record, there is an opportunity to be an industry leader. By promoting sector-wide changes and supporting campaigns that promote social inclusion in the workplace, your organisation will be at the forefront of promoting better work practices and a more cohesive society.

67% 

67% of candidates actively look for companies that have diverse workforces and take this into account when accepting job offers.⁴⁰

Law and Accountancy firms please also refer to the Appendix A for additional recommendations.

	Developing	Optimising
Transparency: How your organisation publicly communicates their commitment to social mobility	<ul style="list-style-type: none">• Make a public commitment to publishing data annually and reporting on trends. Do this by publishing:<ul style="list-style-type: none">■ workforce-level diversity data, as well as by job function or types of work and by grade level or seniority bands■ the rationale for collecting these and statements about your strategy• Take part in social mobility research, data and celebration activities, e.g. the Social Mobility Employers' Index, UK Social Mobility Awards and City of London taskforce.	<ul style="list-style-type: none">• Publish granular diversity data annually across all grades and functions, with explicit benchmarking and targets for areas including pay and progression.• Create and publish a detailed plan to increase socio-economic diversity, as measured against key metrics in the data.• Set 3-year targets and publish the actions planned and taken to realise them.• Work with other industry bodies to promote data transparency across the sector.

40 Glassdoor, [What Job Seekers Really Think About Your Diversity and Inclusion Stats](#), 2014.

	Developing	Optimising
<p>Inclusion: How your organisation shares and collaborates with others to lead on change within the social mobility space</p>	<ul style="list-style-type: none"> • Have a presence at industry-specific events designed to advocate, inform and drive positive change. • Have an active voice in national campaigns to support socio-economic diversity (e.g. unpaid internships or university access). • Collaborate with other employers in activities such as early outreach initiatives, support for diversity among work experience applicants, and research into challenges and solutions. 	<ul style="list-style-type: none"> • Show leadership regarding socio-economic diversity, for example: <ul style="list-style-type: none"> ■ speaking at national events ■ advocating change in the media ■ contributing to national campaigns ■ bringing together peer employers, clients, suppliers and other stake holders to engage in debate, and publicising outcomes ■ sharing and celebrating your own evidence of impact – warts and all – to help drive positive, informed change • Lead collaborative programmes across your sector, and beyond. • Focus on objectives, such as collating and benchmarking cross-sector data on socio-economic diversity, to generate a wider evidence base to inform change. • Review your suppliers' approaches to socio-economic diversity and inclusion to understand any opportunities to work together to maximise impact. • Consider setting expectations on your clients on what they can do to boost social mobility. • Evaluate the impact of current, existing and new advocacy initiatives.

Case study: Online employability toolkits for schools and parents at PwC



As part of its social mobility work, PwC delivers schools outreach and work experience programmes for disadvantaged young people that support students in having the connections, knowledge and confidence to pursue the career they aspire to. To keep these programmes available to students during the COVID-19 pandemic, PwC adapted them so they could be delivered virtually, and made them available to schools nationwide.

As part of its support for home schooling, PwC also provided guidance for parents and carers on how to use its online employability skills toolkit, which was originally designed to be delivered as lessons by career leaders and teachers. Topics within the toolkit include technology, work-readiness, financial literacy and wellbeing. It includes e-learns that provide students with interactive guidance and support on recruitment processes to support students applying to any role or sector. And during the lockdown, PwC made their 'Tech We Can' lessons available to parents, carers and students at home through the toolkit. The lessons were designed to help children engage and upskill in the many different uses of technology and the different careers available in the field.

The content of the online employability toolkit is accessible to any school, carer or parent, and it is heavily promoted to the firm's social mobility target schools, which are located in social mobility coldspots and have a higher than average proportion of students in receipt of free school meals.

Through their employability skills toolkit and a number of other virtual programmes, resources and tools, PwC has reached 100% of coldspot areas through virtual engagement this year.



Appendix A: Sub-sector specific guidance

Law firms

Data

Additional reporting

The Solicitors Regulation Authority requires law firms to collect and publish diversity data about their staff, including data about social mobility. For further details about the requirements and the social mobility data that must be collected, please view their website.⁴¹ The guidance also covers the requirement to publish the data, given the data protection issues and the challenge of publishing for smaller firms. The data collected from law firms is used by the SRA to publish a diversity profile of the profession.⁴²

Hiring

Entry routes

The SRA will be introducing the Solicitors Qualifying Examination (SQE) from September 2021, a new examination which will give employers the assurance that everyone meets the same standards, regardless of their background. School-leaver solicitor apprentices and students from all universities and law schools will have to pass the same exam from a single provider to gain admission. There is much greater flexibility in the routes a candidate can take to meet the new requirements. Employers will be able to use standardised data from the SQE in their recruitment. They will also be able to take advantage of new, flexible training routes to broaden the pool of candidates from which they are used to recruiting.

41 SRA, Reporting your firm data.

42 SRA, Diversity profile of the profession.

Advocacy

Leverage legal networks

Prime Commitment is an alliance of law firms across the UK, committed to improving access to the legal profession through work experience.⁴³

LawSMART is an association of law firms. The group was set up and is chaired by the chair of the Prime Commitment.

Accountancy firms

Data

Additional reporting

The ICAEW requires firms registered with it for legal services to collect data, and encourages accountancy firms to do so as well. Please refer to their website for any regulatory data requirements.⁴⁴ The data collected from legal services registered firms is used by ICAEW to publish a diversity profile of these accountancy firms.⁴⁵

Hiring

Entry routes

ICAEW support employers in recruiting talent from a diverse audience via various initiatives and routes into the profession. The training offered to an ACA ensures that every student from whatever background enters the profession with a core knowledge, skills and experience tool kit, which will enable them to thrive in the career.

Advocacy

Leverage networks

Access Accountancy exists to ensure that everyone has an equal chance of accessing the accountancy profession based on merit, not background.⁴⁶



43 Visit www.primecommitment.co.uk

44 Visit www.ICAEW.com

45 <https://www.icaew.com/regulation/probate-services/support-for-probate-accredited-firms/probate-diversity-data-collection>

46 Visit www.AccessAccountancy.org

Appendix B: Key terms

Socio-economic background

Socio-economic background refers to the particular set of social and economic circumstances that an individual has come from. It permits objective discussion of the influence of these circumstances on individuals' educational and career trajectories. It can be objectively measured by capturing information on parental occupation and level of education.

Social mobility

Social mobility is the link between an individual's income and occupation and the income and occupation of their parents. It is about where people end up in comparison to their parents or relative to their peers. It is widely adopted as a way of describing the importance of creating opportunities for individuals from lower socio-economic backgrounds to enable them to become more economically successful.

Social class

Class can be a loaded term. Class encompasses a range of socio-cultural and geographical factors. Objective measures of assessing family income may not necessarily match up with individuals' perceptions of their social class status, and individuals may feel less comfortable talking about social class. However, class can invoke a range of tacit assumptions and practices, from how to dress and talk, to food choices and hobbies, and using it can expose the negative ways that these assumptions affect attitudes and behaviours. In this toolkit, we use the National Statistics Socio-economic Classification groupings.

Those from 'professional' backgrounds are from managerial and professional backgrounds. Examples include CEOs, senior police officers, doctors, journalists, barristers, solicitors, teachers and nurses. Those from 'working class' backgrounds are from routine and manual occupations. Examples include receptionists, electricians, plumbers, butchers and van drivers.

Diversity

This term captures the importance of recognising and valuing difference among individuals, e.g. along the lines of gender, ethnicity, socio-economic background, sexual orientation, age or disability. It generally refers to increasing the representation of groups that are under-represented in organisations. It must, however, be understood alongside 'inclusion'. Diversity in and of itself does not result in an inclusive environment.

Intersectionality

Individuals do not experience their diversity characteristics in isolation: these characteristics overlap and collide to compound the experience of inequality. For example, patterns of progression in the firm will vary not only by gender, ethnicity or socio-economic background, but by combinations of all three. Policy and practice need to recognise the convergence of factors and respond accordingly.

Inclusion

This is the meaningful achievement of diversity. This involves creating the conditions to ensure individuals from diverse backgrounds are valued and treated equitably, feel empowered and are able to progress.

Micro-aggressions

These can be defined as everyday words or acts that send denigrating messages to certain groups who are perceived (or perceive themselves) as 'different' (e.g. in terms of race, gender, ethnicity or socio-economic background). They are subtle demeaning comments or statements, which, over time, make individuals feel inferior or excluded. Members of the dominant culture are often unaware that certain comments or behaviours may be causing harm as there is no intention to offend. Relatively insignificant issues can build up to become extremely problematic as constant small comments gradually erode employees' confidence, self-belief and sense of belonging.



“

By embracing this toolkit and working collaboratively we can make tangible and long-lasting change to create better, more inclusive workplaces. We embrace the individual journeys our people have taken to come to our organisation and our diversity is our strength.

– **Clem Johnson,**
Head of Social Impact,
DLA Piper

“

Here at Killik & Co we've always had a mindset that the world of investing should be accessible to all; if we are to fully embody that ethos we also need diversity when it comes to the backgrounds of our employees.

– **Jasmin Shorter,**
Professional Development Manager,
Killik

“

Our social background frames our life experiences and at Allen & Overy we recognise that we are all enriched by the varied perspectives a diverse workplace brings.

– **Emma Turnbull,**
Community Investment Officer,
Allen & Overy

“

We know that a sustained focus on social mobility and inclusion will improve not just our business but the experiences and engagement of our people; my own experience has made me acutely aware of how important a consistent and joined up approach is, both to attract people from different backgrounds and to make them confident they can flourish at work. The Toolkit is designed to achieve both of those aims.

– **Nicole Williams,**
Counsel and Chair of the Ashurst Social Mobility Network, Ashurst

“

At a time when those with less access to privilege and opportunities are facing greater challenges than ever, it is vital for organisations to push themselves to increase social mobility. This toolkit provides resources that every organisation – wherever they are in their social mobility journey – can learn from and use to make a positive change.

– **Annette Byron,**
Partner Sponsor for Social Mobility,
Freshfields

“

At Schroders our focus on social mobility unlocks opportunities for a range of individuals who may not have believed they could have had a successful career in asset management. We believe this focus is a fundamental part of creating a more inclusive environment.

– **Faye Farrant,**
Head of Talent and Inclusion,
Schroders

“

Access is the first step and at SEO London we widen those doors and encourage our alumni to reach a hand back. In this current turbulent time however, that hand of opportunity can seem just too far away. Our team is committed to doing all we can to bridge that gap. We fully support the Social Mobility Commission and its drive to support all industries with its Toolkit.

**– Julie Quist-Therson,
Head of Programmes (Law),
SEO London**

“

Bridging the opportunity gap is more important than ever as the recent crisis risks leaving people behind. At Accenture we are committed to improving economic diversity and enabling people from all walks of life to thrive in the increasingly digital economy. By providing access to market relevant skills, mentoring and work experience opportunities, we are engaging with diverse talent to help level the playing field both within and outside of Accenture.

**– Camilla Drejer,
UKI Social Mobility Sponsor,
Accenture**

“

Society rightly expects our sector to consider a wide range of responsibilities, including reflecting the needs of communities we operate in. Building a genuinely diverse and inclusive workplace where people from all backgrounds get fair and equal opportunities to progress is a big part of this, crucial to our culture and future business success. This toolkit shares proven, practical approaches to improve social mobility across all areas of employment practices and we welcome its publication.

**– Sandy MacDonald,
Global Head of
Corporate Sustainability,
Standard Life Aberdeen plc**



If you have any comments or suggestions for improvements to future versions, please email: **contact@socialmobilitycommission.gov.uk**

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