

Industry in Focus

Driving social mobility in the UK

Four key success factors to boost opportunities for all

#FutureOfGov





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Driving social mobility

The UK public no longer takes it for granted that each generation will do better than the last.

Across society, generations are united by their growing concern over opportunities for the future and the deepening social divides amid their communities. They also agree that COVID-19 has made social mobility more difficult in the UK, and are calling on the business community to help the next generation to do better than the last.

As part of our [Future of Government](#) programme, we asked 4,000 people across the UK about their concerns around social mobility and the actions they thought government and businesses should take in response.

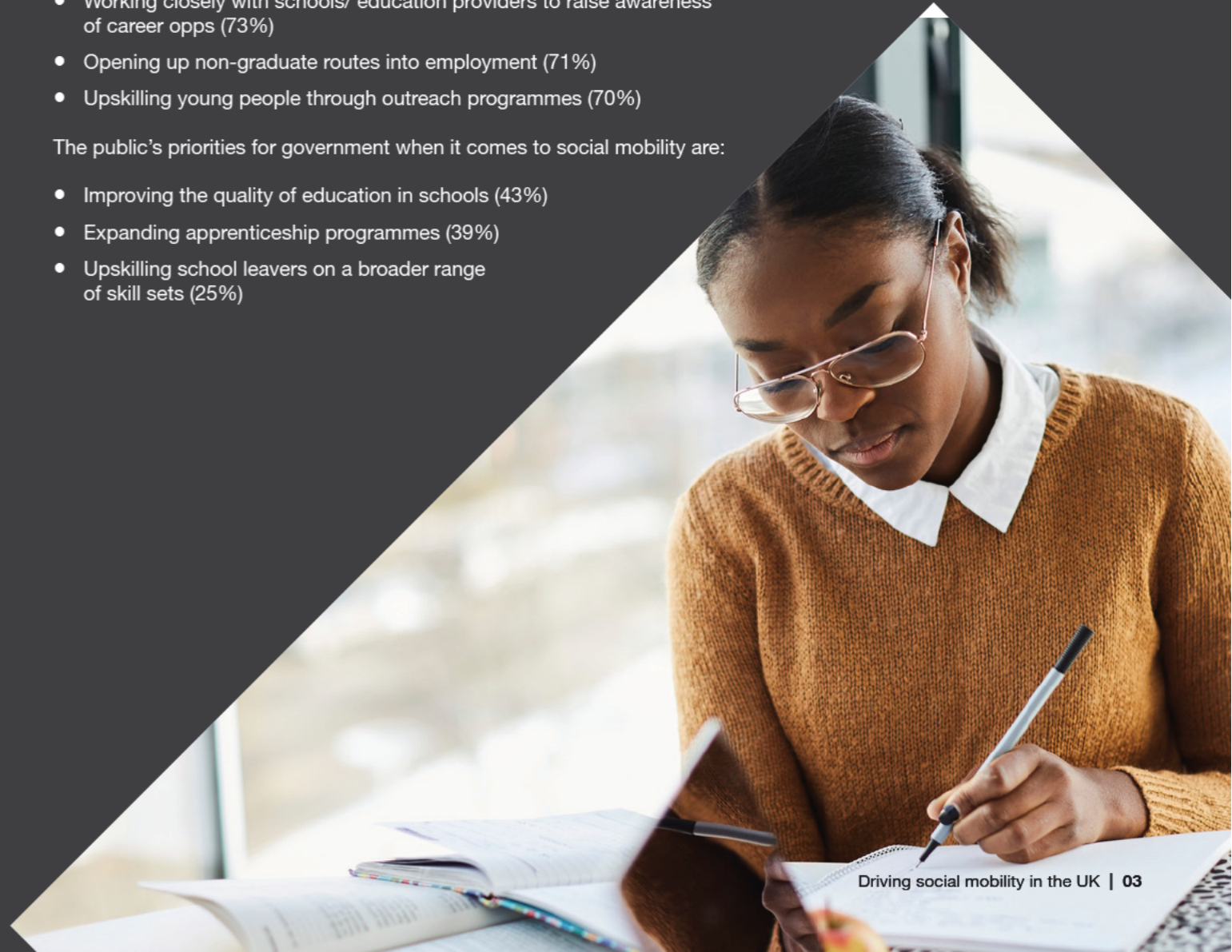
In this report, we explore the reactions and ambitions of business leaders to the call from the public, and outline four key success factors that will help organisations drive social mobility in the UK.

People called on businesses to play their part by:

- Offering work experience placements (75%)
- Working closely with schools/ education providers to raise awareness of career opps (73%)
- Opening up non-graduate routes into employment (71%)
- Upskilling young people through outreach programmes (70%)

The public's priorities for government when it comes to social mobility are:

- Improving the quality of education in schools (43%)
- Expanding apprenticeship programmes (39%)
- Upskilling school leavers on a broader range of skill sets (25%)

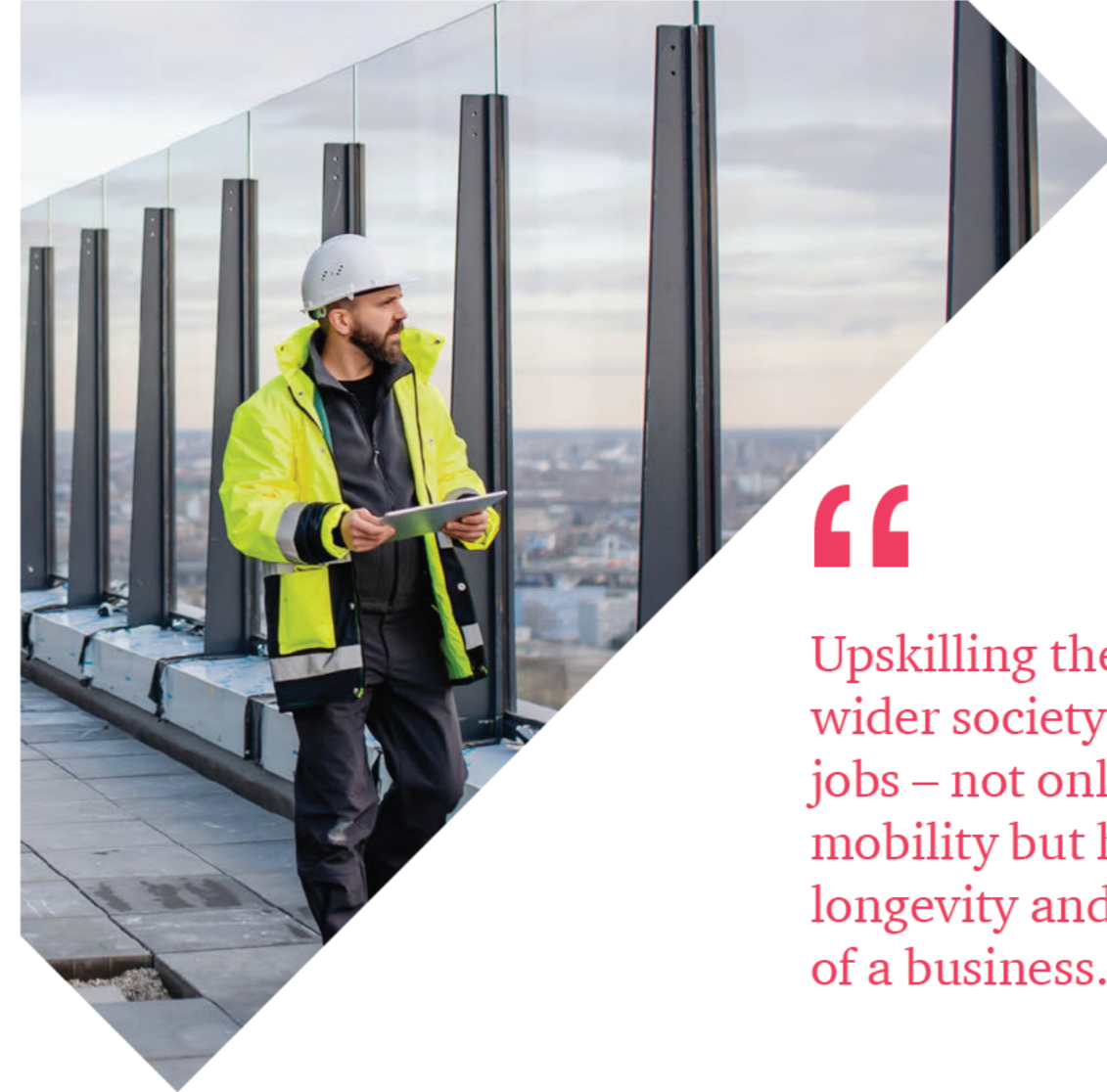


Key findings:



59%

of the public believe they've had more opportunities than their parents, yet only 52% believe younger generations will have the same or better opportunities.



“

Upskilling the workforce and wider society for tomorrow's jobs – not only boosts social mobility but helps secure the longevity and positive legacy of a business.”

The common ambition

The leaders we spoke to focused on a common ambition to be **diverse, fair and responsible**:

Leaders know that a more diverse workforce makes better decisions and brings the organisation a competitive edge. They are acutely aware of the need to foster social mobility – not just because it is the right thing to do but because it is good business practice. By creating stimulating, diverse, inclusive workplaces where there is an open exchange of ideas and experiences, employers can attract and retain the best talent from all backgrounds.

They know that recruiting and developing talent – upskilling the workforce and wider society for tomorrow's jobs – not only boosts social mobility but helps secure the longevity and positive legacy of a business. With an increased focus on **Environmental Social and Governance (ESG)**, organisations and investors are prioritising long-term efforts to become more environmentally friendly and socially responsible. They're deeply concerned younger generations may not have the employment opportunities they enjoyed themselves, and feel a personal responsibility to give something back. As well as boosting their own standing as leaders, this will also enhance the reputation of their business in society.

Taking action

In response to our findings, we convened a series of regional roundtable discussions with clients and wider stakeholders in the business community. From the outset, we felt encouraged and inspired by their enthusiasm – not only to share their own social mobility journeys or those of people they knew – but to take action.

Pushing an open door

The business leaders we spoke to were eager to increase opportunities for all – both those in their organisations and in wider society. And, similarly to the wider public, they were united by their concern that the pandemic had put previous social advances into reverse.

They didn't regard social mobility as an issue that should be left to government or the education system to address. They felt a very real and personal responsibility to make a contribution to increased social mobility, thereby fostering a fair recovery and a more equitable society. And they were energised by the wide range of benefits that widening access to opportunity and jobs would bring to their organisations.





Key findings:



31%

agree with the statement that “everyone in the UK has the same opportunity and chance to succeed”

Our research finds people experience different barriers depending on their background and identity.”

compared to 23% of the wider population – followed by gender (28%), disability (25%), lack of support network growing up (24%) and the area they grew up in (23%). Our recent survey of UK employees, [Hopes and Fears](#), also revealed that workers from ethnic minority backgrounds are more likely to think their jobs will be obsolete within the next five years.

Four key success factors

Business leaders understand the need to act and show every desire to do so. The question is then; where’s the stumbling-block? Put simply, many are hampered by a lack of direction. They wonder what practical steps to take to start making a difference, both in their own organisations and in wider society.

Reflecting on our research, events and client conversations, we’ve identified four key success factors for organisations driving social mobility in the UK.

1. Know your workforce – and the barriers they face as individuals

Just as employers collect data on the racial and gender mix of their workforce, they should do the same with socio-economic background.

To be an attractive and fair employer, an organisation first needs to know who its employees are and what barriers they face to social mobility. While this may sound simple, it’s actually quite complex. For example, our research finds people experience different barriers depending on their background and identity. Those from ethnic minority backgrounds believe the biggest barriers to people achieving their potential are around ethnicity (38%) –

These findings raise a key question for any leader: how well do you know your people? Only a detailed understanding of the current makeup of the employee base from a social mobility perspective can provide a robust basis and starting-point for effective action to improve it. For example, an employer might have the world’s best social mobility plan – but if it turns out that 90% of the workforce already fit the target criteria, there might be no need to implement that plan. Conversely, if an analysis of recruitment shows 90% of joiners share similar characteristics or backgrounds, it’s likely that radical action is needed.

Getting to know the workforce has two aspects. One is collecting and analysing data on employees’ socio-economic backgrounds. The other involves bringing together anecdotal stories and experiences from those who’ve been affected by social mobility issues. These two aspects need to work together: to maximise people’s engagement, leaders need to take their workforce on the journey, tell them why their data is needed, and commit to helping them tackle social mobility by understanding the challenges. At the same time, encouraging story-telling and setting up platforms to share experiences help to create an open and transparent culture – one that future employees will want to be part of, and where current employees get the chance to give something back and play a positive role in improving social mobility.

2. Focus on what works in improving social mobility – and be honest about what doesn't

Proven ways that employers can make a social mobility difference include broadening work experience opportunities beyond friends and family of existing employees, offering paid internships and building long-term relationships with schools in disadvantaged areas.

To realise the full ambitions it offers, organisations need to zero in on interventions with the biggest impact. The pandemic has made this rigorous focus even more important, with well over half (61%) those we polled saying COVID-19 has made social mobility more difficult in the UK. This, coupled with the fact that less than a third agree that 'everyone in the UK has the same opportunity to succeed', makes it clear people do not feel the UK has a level playing-field.

What can be done to level it up? Asked what government should do to address the employment challenges arising from the pandemic, the public point first to providing people made jobless by COVID-19 with free/subsidised training courses (73%) and then at access to mental health and wellbeing services (71%). As to how businesses might improve social mobility, the public cite steps to increase opportunity for the young – led by offering work experience placements (75%) and working closely with schools and other education providers to raise awareness of career opportunities (73%). All of this plays to the role of a social mobility strategy in enabling leaders to achieve their ambition to win, retain and develop the best talent.

In terms of the core workforce, the strategy might include expanding the available talent pool by capitalising on the pandemic-driven shift towards virtual and flexible working. Our [Hopes and Fears](#) research shows that 77% of UK workers (against 72% globally) now favour working in flexible ways, indicating an opportunity for organisations to adopt hybrid working models that provide career opportunities to a wider employee base. Some 83% of the public see access to local employment opportunities as a key barrier to social mobility, and virtual working can provide a way to recruit, employ and offer work experience to people in areas with lower levels of social mobility.

Actions such as these can make a real difference. However, before taking any concrete steps, it's vital first to identify and focus on what works in the context of the specific organisation. This doesn't mean starting from a blank sheet of paper: it's useful to draw on existing global evidence and experience, while also conducting a rigorous review of the actions taken to date to support social mobility, and using workforce insights to reach an honest assessment of where the current approaches are working and where problems are. These gaps can then act as focus areas for new interventions as part of a more effective strategy.



We've learnt a lot over the past few years about the importance of encouraging employees to voluntarily share their data, which provides us with an invaluable tool in identifying and tackling areas where improvement is needed. Our action plans on gender, ethnic and socio-economic background diversity and representation are all based on data, which helps us to track the impact of our actions. Our gender and ethnicity pay gaps are moving in the right direction, and we hope to see the same for socio-economic background in the years to come."

Laura Hinton, Chief People Officer PwC UK



Key findings:



19%

take the view that their children will have even fewer opportunities than their own generation did.



3. Collaborate, collaborate, collaborate – to build momentum, relationships and reputation

Government has a leading role to play in supporting collaboration and must leverage its distinct mandate to incentivise and drive public-private collaboration to improve social mobility.

Social mobility is a multifaceted and highly complex issue. But if all the interested parties come together and collaborate, real change is possible. The public is pushing for this to happen – and is ready to reward the pioneers in this area with a stronger and more trusted reputation. As we highlighted earlier, around three-quarters of respondents to our social mobility study think businesses should expand opportunities for the young by offering work experience and working closely with education providers. A similar proportion want to see long-term strategic collaborative partnerships between business, government, education and industry bodies – not only to help people prepare for the working world by gaining skills and work experience, but also to provide continuous upskilling and support throughout their careers.

All of this can only happen if there is a concerted, collaborative effort from all stakeholders to create strategies and implement them at scale, including employers across business and the public sector collaborating and setting goals together to drive and measure progress. While most people still view government as ultimately accountable for social mobility, it's an issue the government doesn't have to face alone. By leveraging its distinctive mandate to incentivise

and drive public-private collaboration, and building on initiatives such as the [Social Mobility Pledge](#), the government can catalyse the building of sustainable networks and put itself at the forefront of practical solutions that reach across generations.

To play their full part, businesses must challenge themselves and others to move the dial. That's what we at PwC have been doing. In late 2020 we were ranked the [top UK employer](#) in the [Social Mobility Employer Index](#) for the second year running, in recognition of the wide range of measures we've taken, including expanding the variety of routes into the firm for people from different backgrounds, engaging with many schools and universities across the UK, and providing employment and schools outreach, for example in Bradford – a government-identified social mobility Opportunity Area. When it comes to how business can support social mobility, we understand the challenges. And we're committed to continuing to collaborate, share our experience and lead the debate to help scale and accelerate impacts.

4. Invest in upskilling – to future-proof both the business and its more diverse workforce

Employers should focus their upskilling efforts both on their current workforce and on outreach programmes targeting disadvantaged people and communities, as well as on technical and softer skills.

Respondents to our social mobility study rank 'not getting the right skills through education' as the primary barrier to people reaching their full potential. Looking ahead, the increasingly digital post-pandemic world is set to accelerate change not just in how and where people work, but also in the skills they'll need in the future. Our recent global New World. New Skills research estimates that about 47% of jobs are at risk of being automated over the coming decades – a shift that could widen today's income disparities further. Such figures point to the critical need to upskill the UK workforce – not only to increase people's employability and thereby social mobility, but also for the long-term success of UK businesses. Upskilling helps to future-proof both the workforce and the employer.

The public understands this: having the right digital skills, work experience and time to commit to work are seen as the keys to career progression, with more than 85% of respondents citing these as important. However, while use of the internet in daily life is widespread, there are still signs of a digital divide. People in the lower socio-economic groups – categorised as C2DE – are far less likely 'to do my job remotely' (32%) than those in the higher ABC1 demographic (58%), or to be able to 'use the internet to access educational resources' (53% vs 66%).

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Improving social mobility isn't just the right thing to do, it makes sound business sense too – creating a diverse workforce that reflects the communities we work in. We're proud of the steps we've taken as part of our five-point plan. Social mobility has also been core to our pandemic response, such as providing virtual skills support to communities and making sure all our employees can access a safe space to work.”

Upskilling isn't just about technical skills: as our research underlines, personal determination and soft skills, such as communication, can be equally if not more important. This means an effective upskilling experience should involve learning how to think, act and thrive in a digital world, in a way that's sustainable as technology continues to advance. To maximise the impact, business leaders should take a twin-track approach to offering inclusive upskilling opportunities. First, in their own workforces through targeted training and development programmes. And second, in the wider community, ideally in collaboration with educational institutions and charities – and perhaps focusing on social mobility 'cold spots', industries or roles hit hardest by the pandemic.

Play an active role

The UK public thinks social mobility is in decline. Whether you attribute this mainly to the impact of the pandemic or to long-term structural factors, it's vital to the future of every individual and organisation in the country that we reverse this downward trend as quickly as possible.

The conversations we have had around our research strengthen our conviction that this can be achieved – and reinforce our determination to play an active role in driving social mobility in the UK. By making a long-term commitment to social mobility, focusing on the initial key success factors we have outlined and collaborating towards common goals, we all can – and will – make a real difference for the next generation. Let's do it together.

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PwC's Future of Government series draws on new public research from across business, the public sector and civil society, to explore how government and business can work together to address inequality – by geography, generation, gender and race – and mitigate the worst impacts of a downturn and deliver a fair recovery from COVID-19. Find out more at pwc.co.uk/FutureOfGovernment

