



Corporate Citizenship Issues Briefing

SOCIAL MOBILITY

**Why it matters;
What businesses can do about it**

The Issue

The level of social mobility in a society is an indicator of how fair that society is. A society with a high level of social mobility will have equal opportunities for people to be rewarded for their efforts and talents, regardless of their background. In a society with a low level of social mobility, social background will either be a barrier to just reward, or a propellant to (perhaps undeserved) reward.

A lack of social mobility is clearly a major issue around the world. For societies it entrenches inequality, hinders growth and innovation, reduces cohesion and crushes aspirations of those held back by it.

In the USA, the income gap in success factors such as college enrolment is closely tied to the race gap. In Singapore, the government has identified maintaining social mobility as a critical challenge for the growing economy. In the UK, 7% of people go to fee-paying schools, but 34% of FTSE100 CEOs and 51% of solicitors went to these schools.

Implications for Business

A lack of social mobility is a business issue. There are three key business benefits to addressing social mobility:

Stakeholder expectations

Increasingly, organisations are expected to not just remove barriers to social mobility, but take action to pro-actively encourage it.

Organisations are open to attack unless they can prove that they're not impeding social mobility.

Diversity of talent and experience

A greater diversity of talent will lead to new, different ideas that will improve the business.

Ensuring diverse talent avoids the 'groupthink' mentality that can occur without such a diversity of experience and backgrounds.

Talent shortages

Globally 38% of employers reported difficulties filling positions due to skills shortages, which has led to an inability to meet clients' needs, reduced competitiveness/productivity and increased employee turnover.

Companies need to be sure they are not inadvertently exacerbating this problem by shutting off swathes of a potential talent pipeline.

What Companies Should Do

Social mobility cannot be tackled by companies alone. Social immobility is linked to a raft of government policies, particularly around education, but also welfare, taxation, inheritance and many others. That said, there are a range of steps a business can take to deal with both the root and the symptoms of social immobility:

- 1. Have a view.** Determine what is meant by equal opportunities. For most this will be equal access to opportunities. For some it will mean the workforce being a complete, proportional representation of the societies in which it is based.
- 2. Audit.** Understand existing employment and community outreach activities to understand your social mobility impacts.
- 3. Policies and process.** Focus efforts around having fair, robust and open employment policies and processes. Targets for social mobility may be unachievable if not underpinned by proper processes.
- 4. Targeted, early interventions.** Reach out to areas where there are the greatest signs of entrenched social immobility. This should focus on early intervention around key barriers to social mobility such as numeracy, literacy, aspiration levels, personal/professional experiences and employability skills.
- 5. Flexible access to employment.** Establish multiple routes of entry into the company. This means looking beyond your well-established routes into the company but also looking at apprenticeships, school-to-work programmes and other routes to employment.
- 6. Recruitment practices.** Implement policies to design bias out of your recruitment processes; the current focus is on name-blind applications and CV-blind interviews, though this is likely to evolve. Advertise and properly pay all work experience and internship placements.
- 7. Regular review.** Activities in relation to social mobility should be regularly reviewed to ensure that they continue to be pushing the boundaries of best practice.
- 8. Transparency and disclosure.** Monitor and disclose data on the socio-economic background of employees. This should include new recruits and existing employees, and be broken down by seniority, gender and function.
- 9. Get the story straight.** Have a clear narrative around the company position on social mobility, what it is doing, and what impact these activities are having.
- 10. Advocate for change.** Use your platforms and engagements to spread practice, influence peers, and lobby governments to help effect systemic change.

About Corporate Citizenship

Corporate Citizenship is a global management consultancy specialising in sustainability and corporate responsibility. The team uses expert insight and a simplified approach to sustainability to deliver growth and long-term value for business and society. With teams in London, Melbourne, New York, San Francisco, Santiago and Singapore we work with clients on both a local and global level, to achieve their commitments to responsible business behaviours and sustainable practices. We advise on a number of areas including strategy, community, engagement, environment, supply chain, socio-economic impacts, reporting and assurance – helping clients to make the smart choices that will enable them to survive and thrive in an increasingly challenging business environment.



For further information please contact:

W: www.corporate-citizenship.com

E: mail@corporate-citizenship.com

Twitter: @CCitizenship

LinkedIn: [Corporate Citizenship Company](#)

London Office

Holborn Gate, 5th Floor
26 Southampton Buildings
London WC2A 1PQ
United Kingdom

T: +44 (0)20 7861 1616

Melbourne Office

LBG Australia & NZealand
Corporate Citizenship
20-22 Albert Road
South Melbourne, VIC 3205
Australia

T: +61 (3) 9993 0452

New York Office

241 Centre Street
4th Floor
New York, NY 10013
United States

T: 1-212-226-3702

San Francisco Office

901 Mission Street
Suite 105
San Francisco, CA 94103
United States

T: 1-415-416-9580

Santiago Office

Av.Kennedy5735
Oficina 1503
Santiago
Chile

T: +56 22 3224 3569

Singapore Office

3 Fusionopolis Place
03 – 54 Galaxis Worklofts
Singapore
138 523

T: +65 6822 2203

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