

ESG in 3D: Governance and Social

Tracking workplace social advancement

12 September 2022

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[FCA warns that vulnerable to scams amid cost of living crisis](#)

Digest:

- Understanding a workforce's socioeconomic background has become increasingly important, yet very few firms measure it: less than 15% according to the [FSSC's 2021 member survey](#).
- The [Social Mobility Commission's \("SMC"\) toolkit](#) provides guidelines on the questions to be asked when collecting socioeconomic background data.
- The [FSSC cites an SMC report](#) and [Bridge Group report](#) that individuals educated in state schools make up the majority of top performers at law firms but take longer to reach that level than the privately-educated.

Source/Context:

The [Financial Services Skills Commission \(FSSC\)](#) was established to work directly with the sector and advocate for innovative collaboration to ensure that businesses have the talent and skills it needs for the future.

[2020 research by the Bridge Group](#) found that 9 in 10 senior roles are held by people from higher socioeconomic backgrounds, compared to 1 in 3 across the UK working population.

What does this mean for the FS and other industries?

In the FSSC's view:

"There are clear business and societal cases for [analysing workforce socioeconomic diversity] including the potential impacts on the diversity of thought, inclusivity within organisations and firms' ability to attract, retain and progress talent ...

... employees from a lower socioeconomic background progress 25% slower than peers without any difference in job performance. This slowing of progression rises to 32% for employees who also identify as Black."

Yet the issue is not simply about recruitment:

"employees from a lower socioeconomic background reported [being] 'exhausted' by conforming to dominant cultures which impacted on their individual performances..."

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