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Upwardly mobile

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# Upwardly mobile

Are the public and private sectors doing enough to defeat elitism and nurture talent in the next generation of employees? **Alan Milburn** and **Steve Easterbrook** find out

## View from the public sector: Alan Milburn

**S**ocial mobility is the new holy grail of British politics. Across the political spectrum, party leaders are scrapping to claim the prize as their own. Why the sudden burst of interest? In large part, it's because mobility in Britain, despite some recent encouraging signs of progress, stagnated for decades, with worrying consequences for social cohesion.

Last summer, I chaired an independent all-party panel of experts whose aim was to examine what had gone wrong and report to government on what should be done to put it right. Our report, *Unleashing aspiration*, focused on the role the UK's professions could play in accelerating social mobility. One in three jobs today are professional or managerial but some experts believe that, once retirements are taken into account, we will need up to seven million new professionals in employment by 2020.

The chances of social mobility are greater if there are more professional opportunities. The huge growth in professional employment that took place after 1945 created unheard-of opportunities for millions of men and women. In the decades since that first great wave of social mobility, 'birth not worth' has become more and more a determinant of life chances in our country. But a new expansion in the number of professional jobs available is creating the conditions for a second wave.

There is, however, a long way to go. The glass ceiling in our country has been raised but not yet broken. The gender pay gap has narrowed but the top professional jobs still tend to go to men rather than women. And the UK's professions have become more, not less, socially exclusive over time. Three in four judges and one in two senior civil servants still come from a private school background. Worse still, tomorrow's professional is today growing up in a family richer than seven in ten of all UK families.

The default setting in too many professions, particularly at the top, is to recruit from too narrow a part of the social spectrum. In

this sense, the professions simply reflect a wider problem in British society: an assumption, still present in many of our institutions, that progress can be achieved on the basis of a limited pool of talent having access to a limited set of opportunities. It is not just that such elitism is unjust socially. It can no longer work economically. The UK's future success in a globally competitive economy relies on using all our country's talent, not just some of it. It is in the professions' interest to do so. If they are to properly serve a Britain that is characterised by its rich diversity, they themselves need to embrace the notion of becoming more diverse.

The UK's public sector has a key role to play. It is the principal employer of the 11 million people in the UK labour force who work in professional and managerial occupations. Public sector employers, such as local government and the NHS, have often been at the forefront of equal opportunities practices. Over the past 10 years, for example, the number of disabled employees in the public sector has risen from 10.5% to 12.5%, far higher than in the private sector.

### Overcoming the hurdles

Yet despite these progressive credentials, the public sector exemplifies many of the trends that have inhibited social mobility. It has spawned a near-universal minimum graduate-entry requirement for more and more jobs. Nursing and social care are the most recent instances of professions that have been subject to what some have called 'qualification inflation'. Together with a rising tide of regulation, a more risk-averse culture and recruitment procedures that reinforce the existing social make-up of the professions, this trend has increasingly restricted entry to careers – with negative consequences for social mobility.

Of late, many people in the public sector have grown concerned about such trends. As

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**“The glass ceiling in our country has been raised but not yet broken”**

the problems confronting police officers and doctors become ever more complex, some have recognised that the professions need to recruit people not just with the highest academic skills but also with wider, varied social experiences.

In recent years, public sector employers have taken a long, hard look at the functions they discharge, with a view to devolving some to new classes of paraprofessionals. In education, for example, classroom assistants now take the load off teachers. In the NHS, healthcare assistants do the same for nurses. Police Community Service Officers work alongside police officers. Each development shows recognition that not every professional function has to be discharged by the most highly qualified professional. Our report recommended that all public sector bodies examine what further functions can be devolved in this way.

Of course, there is no single lever that can prise open the professions or speed up social mobility. It's as much about family networks as it is about careers advice, individual aspirations, school standards, university admission procedures and career development opportunities. My panel examined all these areas and made 88 recommendations. Here are some of them:

- A new drive to raise aspirations with a national 'Yes You Can' campaign, fronted by inspirational role models. This would be underpinned by a better 'gifted and talented' programme in schools and the commitment of volunteers, including school alumni, university students and young professionals.

- Reforms to give every child good careers advice and extra-curricular activities to teach pupils the soft skills that employers value so highly. Parents should be given new powers to access good schools in order to close the education attainment gap.
- Fewer barriers between vocational and higher education and reforms to university admissions procedures that take into account the social context of students' academic results.
- A new code to make internships more transparent and a new website where they can be openly advertised.
- The collection and publication of data on the socio-economic background of the people that the senior civil service employs.
- The development of more apprenticeships, with the brightest and best apprentices being given a scholarship to go to university.
- A shake-up of our country's complex training system. Individuals should have their own government-funded skills budgets so that they can design their training to meet their own career needs.

The government has now accepted many of our recommendations. But social mobility isn't something that can just be given to people. It has to be won through their own efforts and endeavours. Governments should do more to offer equal opportunities but, in the end, social mobility relies on individual drive and ambition. I hope my panel's report kick-starts a radical programme of change that puts fair access and social mobility at the top of the agenda of both the public and the private sectors.





## View from the private sector: Steve Easterbrook

In the run-up to the general election, issues around social mobility will continue to be the subject of intense political debate. Following last year's Milburn Report, a great deal of the focus has been on initiatives in 'the professions', education and the public sector. But I would argue that politicians must ensure that the role of the wider private sector is also factored into their future plans.

While the public sector is – quite rightly in my mind – obliged by government to reflect the diversity of the communities it serves and to offer opportunities for development to all of its employees, the private sector is obliged to do exactly the same thing by an equally persuasive group of stakeholders: its customers.

My customers, for example, can choose from any number of food outlets proliferating on the UK's high streets. And as customer service is one of our primary sources of competitive advantage, employing a diverse, vibrant workforce and ensuring that they receive the training they need to deliver outstanding customer service are at the top of my senior team's agenda.

Furthermore, I believe that it is vital that this training does not only set out to equip our people with the basic competencies required to do their job – although this is clearly important. It also needs to create within every employee the commitment to deliver great service with confidence.

McDonald's is not alone in this. In my role as chair of the Confederation of British Industry's Education and Skills Committee, I have seen countless examples of progressive businesses in a wide range of industries that have made this connection between people and performance. These businesses are, as a result, investing in the rounded development of their people in the cool-headed expectation that they will see a return on that investment. In helping their employees achieve their full potential, they have seen that it is possible to achieve a threefold win: a win for their business, a win for their people and a win for the communities in which they operate.

### Hiring for potential

The 2004 Work Foundation report *Who is being served?*, which looked at the impact of McDonald's on local communities, described us as a "business that recruits, trains and promotes local people – and often the ones who are not getting much of a look-in in other parts of the labour market". This is because we believe passionately in a selection process that focuses on the qualities of individuals rather than on their particular background, qualifications or experience.

When we identify someone who has the raw abilities and aptitude we are after, we invest in that potential through a development curriculum that begins with

Steve Easterbrook  
is CEO of McDonald's

nationally recognised GCSE-equivalent qualifications in Maths and English, leading on to apprenticeships (worth the equivalent of five good GCSEs) and an A-level standard management diploma. In the past 12 months, 5,000 employees have enrolled on the apprenticeship programme and our 1,000th shift manager is about to be awarded a diploma.

Our curriculum of courses and qualifications extends right up through our national and global hierarchies, with the result that, even as a divisional president with postgraduate qualifications, the business still requires me to undertake challenging development programmes if I am to continue to progress in my career.

This, I am sure, is what the Work Foundation had in mind when it concluded that McDonald's had managed to "design a vocational skills provider – for graduates and low achievers alike – to provide good work experience and wider employability skills with transferability across all sectors of the economy".

At McDonald's, many of our managers and franchisees started with us as employees on an hourly wage. Now they run multi-million pound businesses and enjoy commensurate rewards and lifestyles. I believe that this is a genuine meritocracy in action, particularly given that some of my most talented people – people who contribute massively to the success of the business – did not have the qualifications or experience prior to joining us that they would have needed to get even a first interview with many other organisations. Since we can make a hard-nosed assessment of the bottom-line returns we have achieved by investing in these individuals, the case for investing in others is easily made.

In short, our business is a meritocracy that changes lives – and I'm very proud of that.

### Serving up social mobility

Last year, we invited the Policy Research Institute at Leeds Metropolitan University to formally assess the impact that our approach to hiring and personal development has had on the social mobility of our workforce.

They found that, prior to joining the business, almost half (44%) of our people had two or more "indicators of disadvantage". For example, more than half (52%) of this disadvantaged group had qualifications no higher than NVQ2 equivalence and more than a quarter (27%) had left school without completing any formal qualifications. Meanwhile, almost half (45%) had lived in areas identified as being in the upper quintile of the Office for National Statistics' Index of Deprivation.

The report's authors concluded that "this research provides ample evidence that McDonald's is contributing significantly to [social mobility]. A good proportion of McDonald's staff are

recruited in the full knowledge that they have, in many cases, multiple indicators of labour market disadvantage ... The company gives an equal chance to many disadvantaged people.”

At McDonald’s, we have also always been open and relaxed about the fact that many of our people see their time with us as a stepping stone into another career or into further learning. I am certain that the nationally recognised qualifications we offer enable them to move on to their next job with valuable, transferable skills that help them hit the ground running. This is a key element of our contribution to social mobility.

At the same time, offering nationally recognised qualifications has helped us to achieve our lowest ever staff turnover. The average length of service has risen to two and a half years for a McDonald’s crew member, and 15 years for our restaurant

management teams. In other words, we have found that – perhaps counterintuitively – the more transferable skills and qualifications we offer, and the higher the quality of this training, the less our people choose to transfer. I am convinced that investment in skills and training has played a key part in our business momentum – hence the 5,000 new jobs we’re offering in 2010.

There is still a lot of work to be done, of course. And in the aftermath of the recession, not every company is investing in its staff. But the balance is shifting as more and more private sector employers invest in transferable skills and in the commitment and confidence of their people to deploy those skills effectively.

It is a shift that I believe politicians need to keep in mind when they are debating the issues around social mobility in the weeks and months ahead. ■

