Access Accountancy Report

(Data pertaining to 2015/16)

November 2017

Contents

Executive Summary

Access Accountancy is an ambitious collaboration of employers and professional bodies, dedicated to improving socio-economic diversity in the accountancy profession. The Bridge Group was commissioned to undertake data analysis relating to the programme. The Group is an independent association based at King's College, London; it researches and supports increased socio-economic diversity in higher education and the professions.

Almost 3.8 million coded data-points have been collated across sixteen firms and professional bodies for the analysis, which includes data relating to 137,721 school leaver and graduate applicants, and 1,051 work experience candidates. This is the most ambitious collation of socio-economic diversity data across a sector ever undertaken to our knowledge.

We find that the applicant pool is broadly unrepresentative of the eligible candidate pool (for example, 24% of applicants are from independent schools), and that progress against the previous year is modest. The success rates of some candidates is much lower compared to others. For example, Candidates from higher income backgrounds (not eligible for Free School Meals or Income Support) have a success rate that is higher compared to those from lower income backgrounds (5.5% vs 4.5%).

In exploring the work experience cohort, there are some limitations to the data and we are able to validate that 347* candidates meet the eligibility criteria. With regards to impact, work experience opportunities deliver positive gains for participants, but this varies significantly by skills area. For example, participants experienced significantly positive impact on their communications skills and business awareness, whereas impact on problem solving abilities, and producing a CV (both identified as weaker areas of competence in the pre work experience surveys) were impacted less significantly.

In this piece, we have been tasked primarily with analysing these data and presenting the findings. Additionally, we offer reflections throughout the report, and also propose key recommendations derived from our work.

It has been a great pleasure to work with colleagues at Access Accountancy and the cohort of signatories; special thanks should go to colleagues within firms who prepared the various data sets. There is much to be celebrated in this work, along with some important areas for development. We look forward to continuing to support this important and influential programme, and commend your commitment to supporting socio-economic diversity.

An internal monitoring exercise was conducted to attempt to get a clearer picture of how many AA placements were delivered in 2015/16, irrespective of the missing data presented to the Bridge Group. The result of this exercise was a figure of 711 placements in 2015/16, and a total of 1,448 since the inception of AA.

Main Findings (1)

- **More than three million datapoints have been collated**, coded and analysed. We understand that this is internationally the most ambitious effort to interrogate socio-economic background (SEB) data of this nature across a sector.

- **Considering diversity of the applicant pool by SEB**, in aggregate 40% have parents with no experience of higher education, 12% were eligible for free school meals, 14% were eligible for income support, and 76% attended a state school. There is moderate variation in these data by firm, and we also explore applicant diversity with respect to gender (42% female in aggregate).

- **These SEB data are disaggregated by recruitment scheme, and compared against last year's data, and against 'eligible candidate pools'**. Caution should be taken in interpreting these comparisons, but the data are broadly similar or favourable to last year, and moderate when considered against national benchmarks.

- **Levels of applicant diversity by SEB vary significantly by:** location (less diversity amongst applicants for posts in London); scheme (greater diversity amongst School Leaver applicants); and service line (greatest diversity amongst applicants for Tax, and least amongst applicants for Advisory).

Main Findings (2)

- **In exploring candidate success rates** (hires/applicants), we find significant variation amongst candidates from particular groups:

  - **Candidates from Independent Schools** have a success rate that is higher, compared to candidates from state schools (6.9% vs 6.0%).

  - **Candidates from higher income backgrounds** (not eligible for FSM or Income Support) have a success rate that is higher compared to those from lower income backgrounds (5.5% vs 4.5%).

  - **Oxbridge candidates** have a success rate of 9.5% (almost 1 in 10 applicants are hired). This compares to a success rate of 6.9% of candidates who apply from the top 30 competitive universities (excluding Oxbridge) and a success rate of 3.3% for candidates applying from institutions outside of both groups.

- **Based on the work experience data we have received, we can validate 347 (33%) of participants as eligible against the Access Accountancy criteria from the overall cohort of 1,051.** We expect that the actual number is much higher than this, but missing data means that we are unable to confirm this. Of these eligible participants, 302 (87%) have parents who have no degree; and 111 (32%) are eligible for Free School Meals. 66 (19%) of participants meet all three of the eligibility criteria.

- **With respect to the impact of work experience**, careers awareness amongst those participating in work experience increased significantly (75% prior to participation stating their awareness was excellent or good, rising to 99% after participation). The effect on whether participants are interested in a career in the sector is less positive, with 98% stating prior to participation that they are definitely or possibly considering it, reducing to 93% after participation. However, one might argue that work experience is educative and designed to help young people navigate their way through various options, and that this small decrease is not necessarily negative.

Recommendations (1)

All signatories should identify a senior leader (preferably someone on the Board) who has accountability for socio-economic diversity, with specific measures of success.

To attract a more diverse range of applicants by socio-economic background, all signatories should:

- Ensure all work experience opportunities are accessed through an open, competitive application process.

- Develop a shared set of learning outcomes for all work experience candidates and structure opportunities accordingly, and provide participants with a formal session to reflect on their learning at the end.

- Ring-fence a proportionate number of places for students from under-represented groups on internship programmes, where such programmes exist.

- Have a pro-active strategy to mobilise recent graduate hires to contribute to diversity attraction activities on university campuses, and in schools, with time allocated in job descriptions and recognition in performance reviews.

- Focus on curriculum-based interactions with universities (for example, workshops, case studies, scenarios, lectures). These more inclusive modes of engagement help to: address the problem of student self-selection and reduce the likelihood of only speaking with those already aware of a particular employer; showcase what is at the heart of the relevant role, rather than marketing about it; respond to universities' needs for 'real-life' learning within the curriculum; and develop relationships with academic members of staff, who are key influencers on students' career choices.

- Deploy data to inform targeting strategies for school engagement and university attraction, considering institutional diversity alongside other factors. And, more specifically, for university attraction use data to target specific faculties and courses to identify talented students from diverse backgrounds.

- Review branding and marketing materials associated with recruitment and consider messages that are likely to be off-putting for candidates from lower socio-economic groups. A recent Bridge Group report on this topic is available here.

Recommendations (2)

To avoid overlooking diverse talent in selection processes, all signatories should:

- Avoid using A-level (or equivalent) grades as a single filter for talent. School examinations were never designed to indicate how well someone would perform in a job, and school attainment is strongly correlated with socio-economic background. Where A-Level grades are used, at a minimum they should be considered in the context in which they were achieved, i.e. in relative terms considering the school's performance, rather than in absolute terms.

- Give careful consideration to the extent to which online tests are a precise tool for assessing required competences. Our research shows that early online tests are very effective at filtering out candidates from lower socio-economic backgrounds, and some minority ethnic groups, and that performance in these tests is only weakly correlated with performance at later stages of the selection process.

- Consider carefully how signals of talent are identified and interpreted. For example, opportunities such as study or work abroad, some internships, and undertaking leadership roles such as being president of a university society, are often only available to the more affluent. Giving significant currency to opportunities like these, that are not equally available to students by socio-economic background, is unhelpful, and it is not unconscious bias. More details on this can be found in a recent Bridge Group report.

- Enhance candidate experience, and thereby engagement, through gamification techniques, video assessment and realistic acted scenarios.

- Explore greater use of strengths based assessment throughout the selection process. Further details are available here.

- Consider, wherever practicable (and where not already in place) the introduction of regional assessment centres outside of London.

- More fundamentally, undertake a critical review of the way in which 'talent' is defined and identified, and consider carefully how precisely these definitions reflect the requirements for undertaking specific roles, and how characteristics associated with these definitions might correlate with socio-economic background.

Diversity of Applicants

We firstly explore the diversity of the aggregate applicant pool (n=136,720).

We focus on the SEB indicators and gender, and consider how the diversity of the applicant pool varies by:

• Occupation line (tax, audit, advisory, technology and central services)

• Location (London and outside of London)

• Recruitment scheme (school leaver, undergraduate and graduate)

We also provide some benchmark information to make sense of the SEB data. This includes comparing these data to last year's findings, and to national data on eligible candidate pools.

Note that throughout these analyses, we only consider 'useable' responses when preparing percentages. This discounts candidates who did not know the answer, preferred not to disclose, and where data is missing. In each piece of aggregate analysis, we are careful to note how much of the data are useable.

Applicants by Socio-economic Background (1)

There are four key SEB indicators: FSM eligibility; income support eligibility; parental experience of higher education; and school type.

The graph below explores three of these SEB indicators: parental experience of HE (N=118,142, 86% of the data are useable) FSM eligibility (n=82,077, 60% of the data are useable); and income support eligibility (n=102,273, 75% of the data are useable).

Note that for parental degree, the logic has been reversed to provide easier comparison against the other two questions (the blue bar is consistently the less advantaged group).
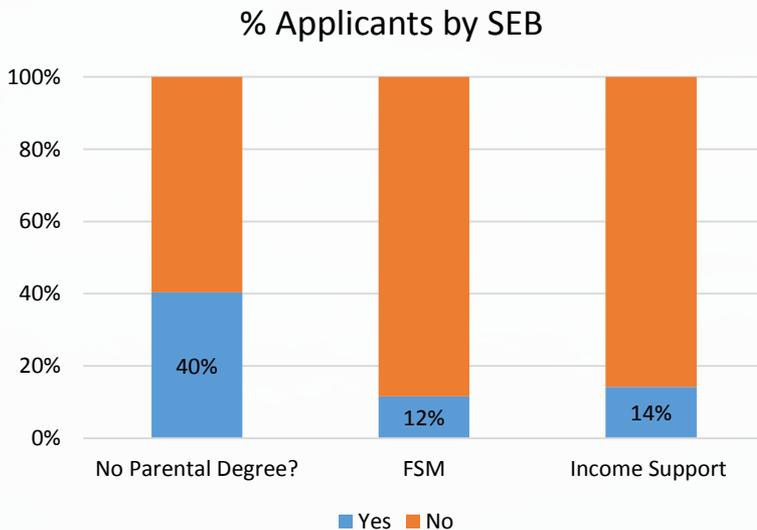
The chart below looks at school type. We have conflated all state schools (selective and non-selective), because four of the submitting signatories (including one large employer) did not distinguish between these.

In this analysis, n= 85,524 (63% of the data are useable). This percentage may seem high, but note that in this dataset, 34,218 (25%) of the candidates are educated outside of the UK and therefore school type is a redundant question.

% Applicants by SEB
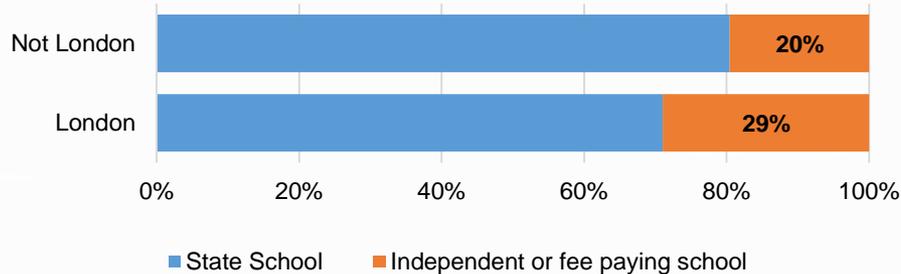

% Applicants by School Type
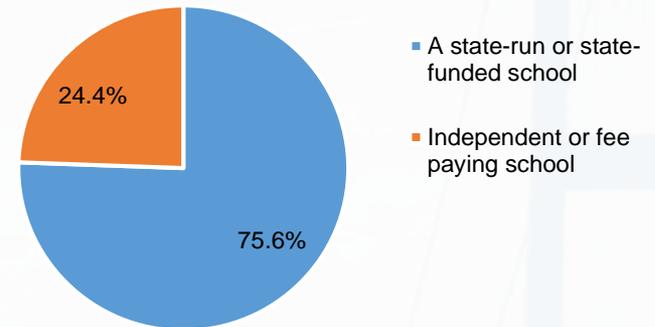
In the analysis that follows, once these data have been disaggregated by scheme, we compare the findings to last year's results, and to eligible national candidate pools.
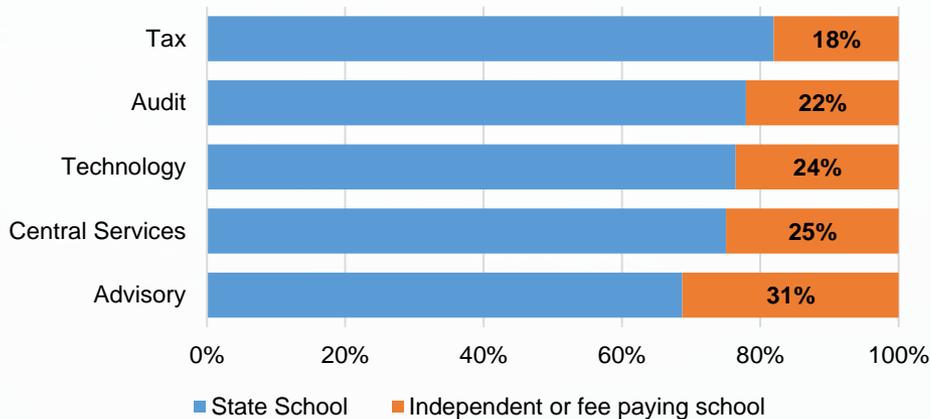
Applicants by Socio-economic Background (2)

We are also interested in the extent to which these findings vary by location, occupation line and scheme. The charts below explore how the % of independent school applicants vary against these criteria.

% Applicants by School Type and Office Location

Location	Independent or fee paying school
Not London	20%
London	29%

■ State School ■ Independent or fee paying school

% Applicants by School Type and Service Line

Service Line	Independent or fee paying school
Tax	18%
Audit	22%
Technology	24%
Central Services	25%
Advisory	31%

■ State School ■ Independent or fee paying school

There are significant differences in the distribution of applicants by school type, with respect to location and service line.

There is a nine percentage point difference when comparing the proportion of candidates from independent schools who apply for roles in London, and those outside of London.

Applicants to Tax are much more diverse with respect to school type, compared to Advisory, with a thirteen percentage point difference.

Applicants by Socio-economic Background (3)

When considering school type by scheme, there is also a marked difference between the proportion of applicants to School Leaver programmes from independent schools (10%), and undergraduate (27%) and graduate (26%) opportunities.

% Applicants by School Type and Scheme

- School Leaver — 10%
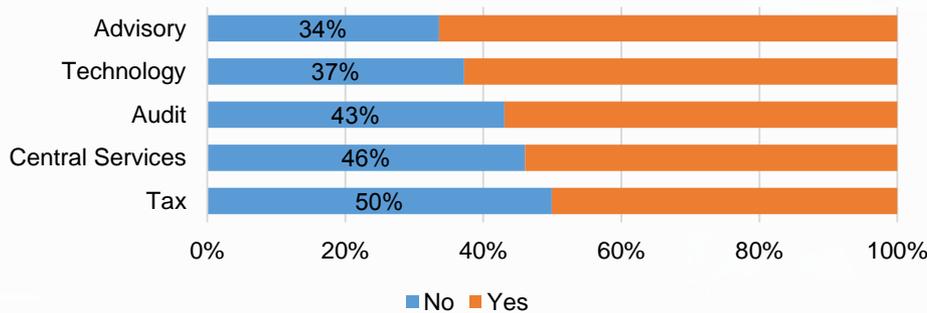- Graduate — 26%
- Undergraduate — 27%

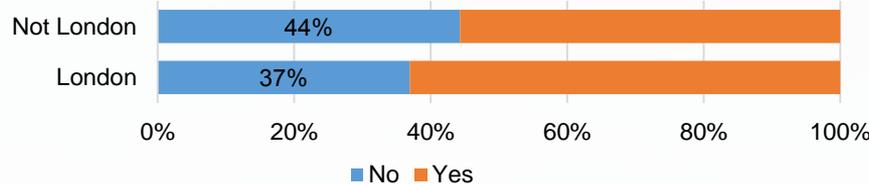■ State School   ■ Independent or fee paying school
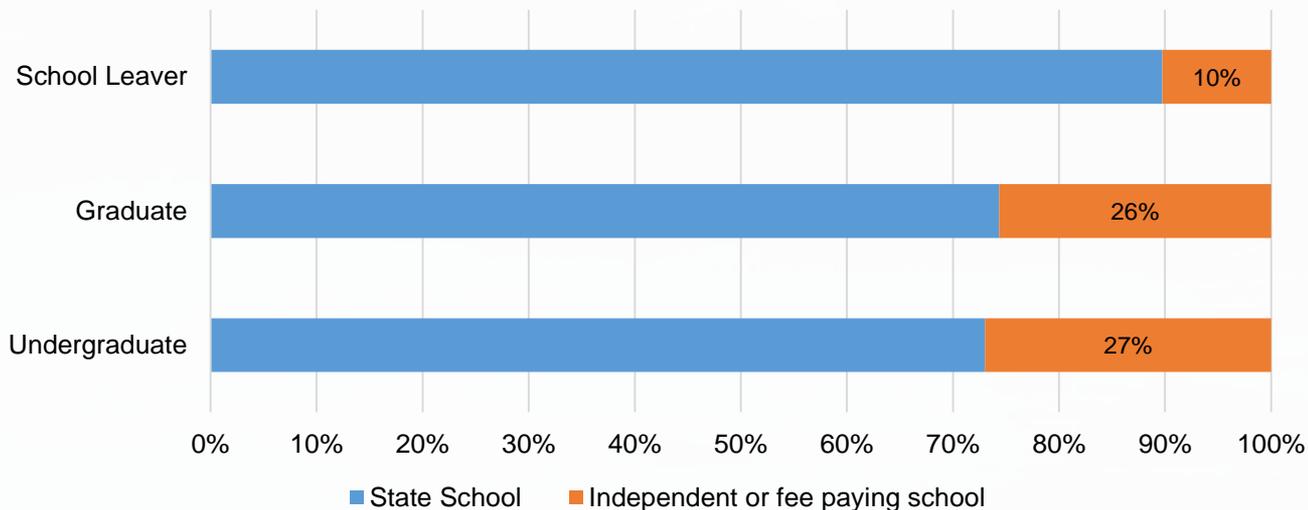
A similar pattern of socio-economic diversity emerges, when considering the other two SEB indicators: parental degree experience and income status.
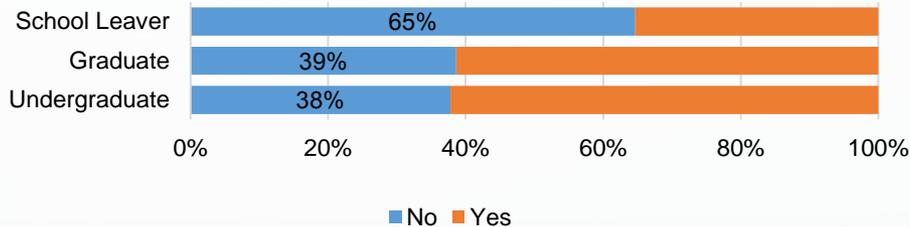
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Applicants by Socio-economic Background (4)

% Applicants by Parental Degree and Service Line

Service Line	No
Advisory	34%
Technology	37%
Audit	43%
Central Services	46%
Tax	50%

Legend: ■ No ■ Yes

% Applicants by Parental Degree and Location Applied To

Location	No
Not London	44%
London	37%

Legend: ■ No ■ Yes

% Applicants by Parental Degree and Scheme

Scheme	No
School Leaver	65%
Graduate	39%
Undergraduate	38%

Legend: ■ No ■ Yes

We see a similar pattern of SEB diversity when considering parental degree status.

Applicants to Advisory, those applying to positions in London, and those applying for undergraduate and graduate opportunities, are all more likely to have parents with degrees.

These patterns are also very similar when we examine diversity by the Low Income indicator.

Applicants by Socio-economic Background (5)

Revisiting the SEB application data by scheme, we make some comparisons to help make sense of the data.

The graph below places our latest findings against last year's data, and against the best identifiable eligible candidate pool (the benchmark). Caution should be taken in interpreting these results, because neither comparison is perfect: this year's data includes a wider range of firms compared to last year, and it is not possible to identify precise eligible candidate pools.

% Applicants by Scheme, SEB Indicator and Benchmark
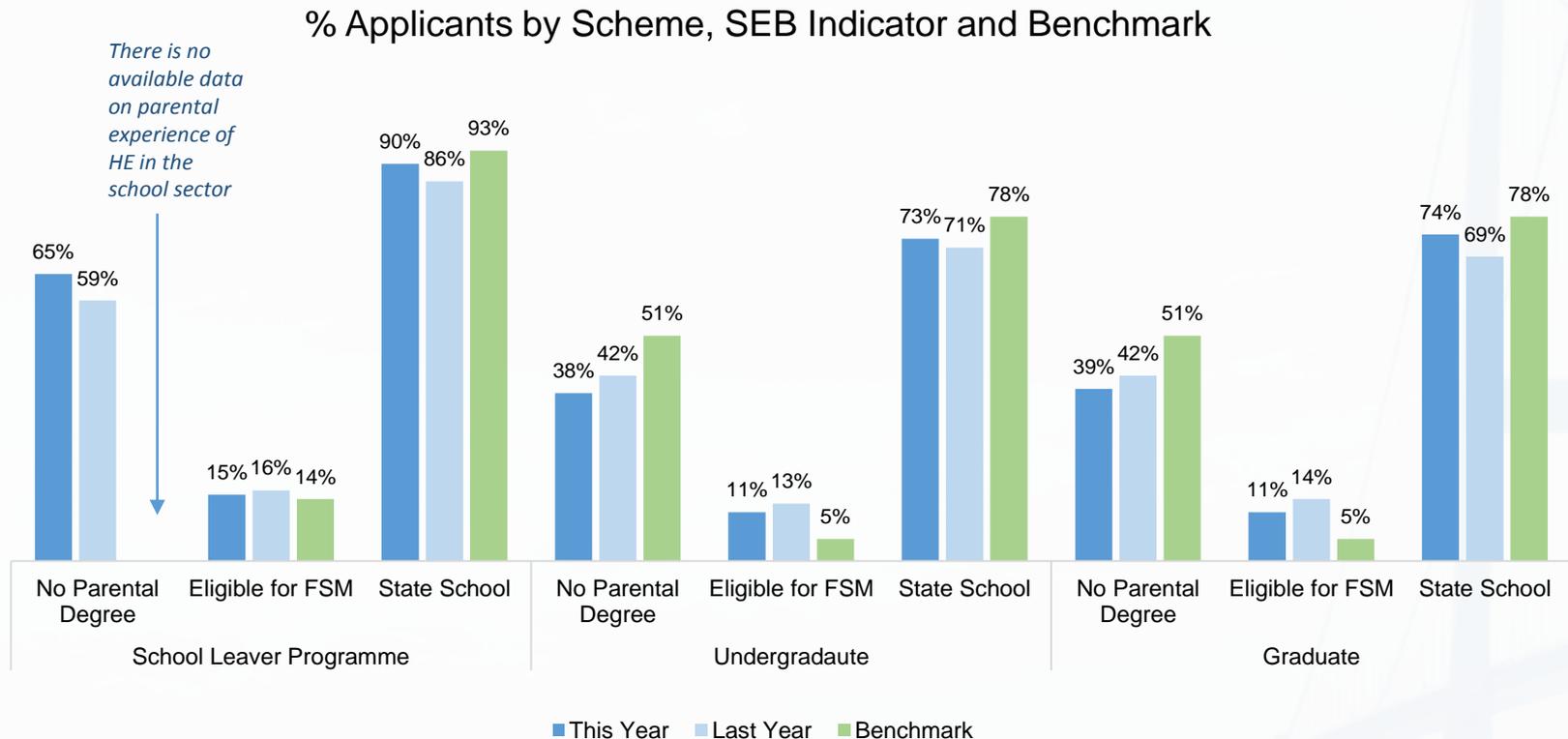
The methodologies for deriving the benchmarks are available in Appendix A. To establish the benchmarks for the higher education sector (for undergraduate and graduate programmes), we have focused only on the top third of institutions with respect to competitiveness.

Candidate Success Rates (1)

The concept of success rate is an important one, and is explored in depth in the following section. We consider the relative success rates of different groups.
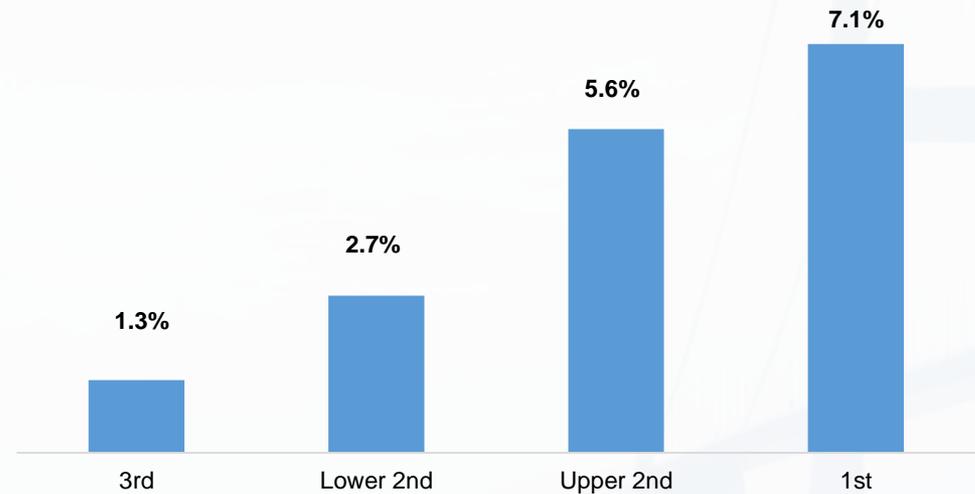
However, we should be cautious to interpret differences in success rate as inherently biased against a particular characteristic. We know from correlation analysis that, for example, candidates with an SEB indicator for Low Income are less likely to attend more competitive universities, and it may be this secondary characteristic that has the greatest effect on the candidate outcome.

We are particularly interested in relative success rates. For example, with respect to school type, we are not solely interested in the success rate of candidates who attended state schools, but interested in how this compares to the success rate of candidates from independent schools; this is the relative success rate.
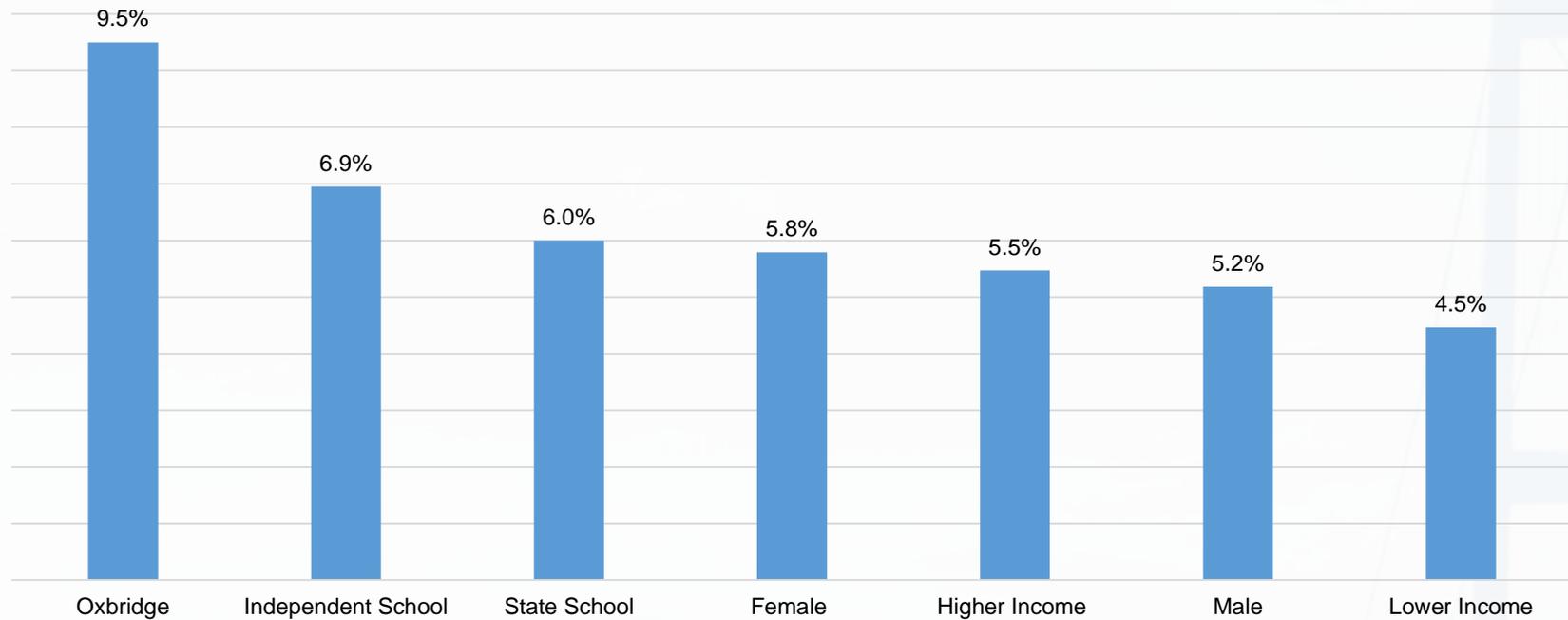
Candidate Success Rates (2)

- Candidates from Independent Schools have a success rate that is higher, compared to candidates from state schools (6.9% vs 6.0%). Note that this data point excludes those educated outside of the UK.

- Candidates from higher income backgrounds (not eligible for FSM or Income Support) have a success rate that is higher compared to those from lower income backgrounds (4.5% vs 5.5%).

- Oxbridge Candidates have a success rate of 9.5% (almost 1 in 10 applicants are hired). This compares to a success rate of 6.9% of candidates who apply from the top 30 competitive institutions (excluding Oxbridge) and a success rate of 3.3% for candidates applying from institutions outside of both groups.

- These various data are illustrated in the chart overleaf, and the adjacent chart illustrates candidate success rates by degree class.

Candidate Success Rates by Degree Classification

3rd	Lower 2nd	Upper 2nd	1st
1.3%	2.7%	5.6%	7.1%

Candidate Success Rates (3)

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% Success Rate Amongst Candidates from Different Backgrounds

Oxbridge	Independent School	State School	Female	Higher Income	Male	Lower Income
9.5%	6.9%	6.0%	5.8%	5.5%	5.2%	4.5%

Presenting the data in this way illustrates the difference in the success rates for different candidates, though clearly does not not account for interactions between background characteristics.

Work Experience – Cohort Analysis

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- To be eligible for Access Accountancy work experience opportunities students must attend a state school, and have been in receipt of free school meals at some point in the last 6 years, **and/or** would be the first generation in their family to attend university **and/or** be attending a school with above (regional) average free school meal rates.

- As with the hire data, signatories submitted data in a template designed by the Bridge Group to help ensure consistency in responses. **Data were received for 1051 work experience candidates from seven firms.**

- There is a significant amount of data missing from the submissions (these are mainly missing data, rather than candidates stating that they do not know, or prefer not to respond):

  - 190 (18%) of the participants have no information on school type
  - 465 (44%) of the participants have no information on parental degree status
  - 450 (43%) of the participants have no information on FSM eligibility

- Based on the data we have received, we can validate 347 (33%) of participants as eligible against the Access Accountancy criteria. We expect that the actual number is much higher than this (an internal monitoring survey suggests that the figure is 711), but data have not been submitted to enable us to confirm this.

- Of these eligible participants, 302 (87%) have parents who have no degree; and 111 (32%) are eligible for Free School Meals. 66 (19%) of participants meet all three of the eligibility criteria.

- 41% of AA eligible work experience candidates are female, and the distribution by region is illustrated in the adjacent table (note that some firms have submitted data for region using field names outside of the template).

Region	%
London	47%
North West	11%
South East	10%
North West	5%
Scotland	5%
Wales	4%
Birmingham	4%
Northern Ireland	4%
Yorkshire and the Humber	3%
East of England	3%
South West	3%
West Midlands	3%
North East	1%

Work Experience – Impact Analysis (1)

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The charts below consider the responses of work experiences to the same question pre-participation (n=369) and post-participation (n=432). It should again be noted that these comparisons should be interpreted with caution, because the two comparator groups are not the same (and this includes all candidates).

In the first chart, careers awareness amongst those participating in work experience has increased significantly (75% prior to participation stating their awareness was excellent or good, to 99% after participation).

In the second chart, the effect on whether participants are interested in a career in the sector is less positive, with 98% stating prior to participation that they are definitely or possibly considering it, reducing to 93% afterwards.

How would you rate your awareness of careers in professional services/accountancy?

Legend: Excellent, Good, Poor, Very Poor

% Responses Pre and Post Participation: Are you interested in a career in professional services/accountancy?

Legend: Very much - it's my first choice, Possibly - I would consider it, Not really, Unsure
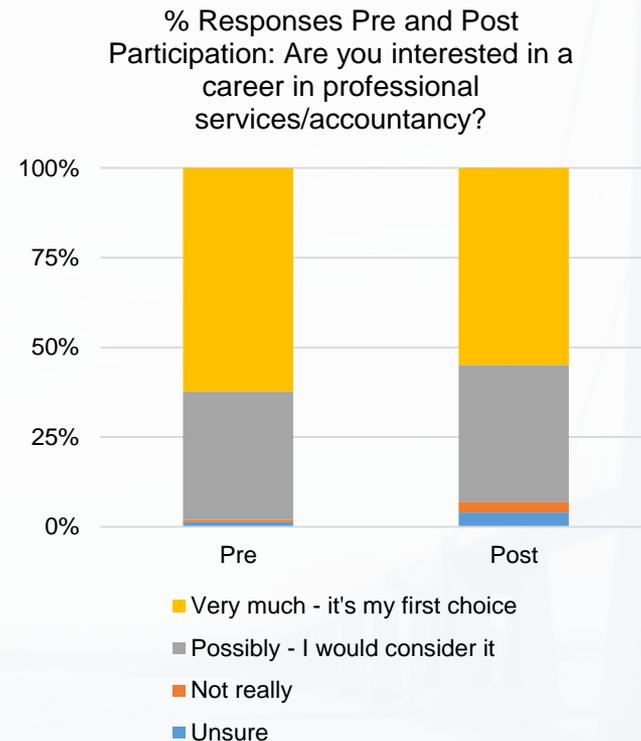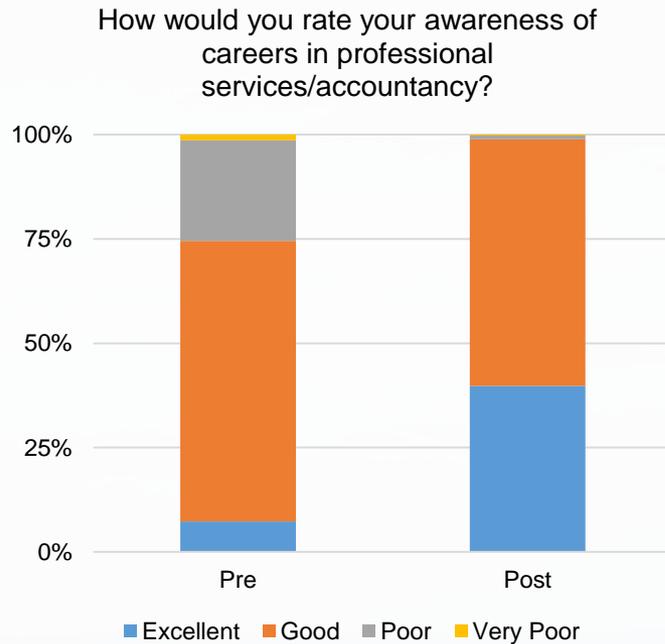
Work Experience – Impact Analysis (2)

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The number responding to the pre-participation survey was 369 (26% of participants overall) and the number responding to the post-participation survey was 432 (41% of participants).

There is no means of matching datasets to match individual surveys to benchmark candidates' pre and post survey responses, and we therefore make aggregate comparisons. We first consider the baseline responses from candidates based on their pre-survey responses. This is illustrated in the chart below.

Work Experience Pre-Participation Survey Results: How Would you Rate Your Skills in the Following Areas?
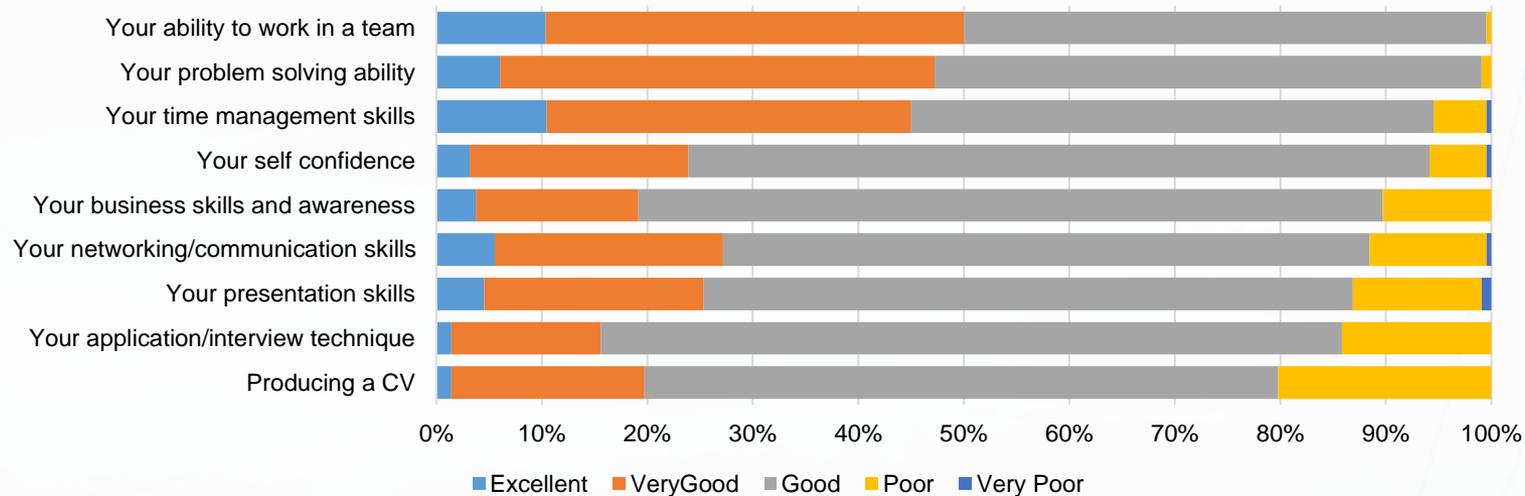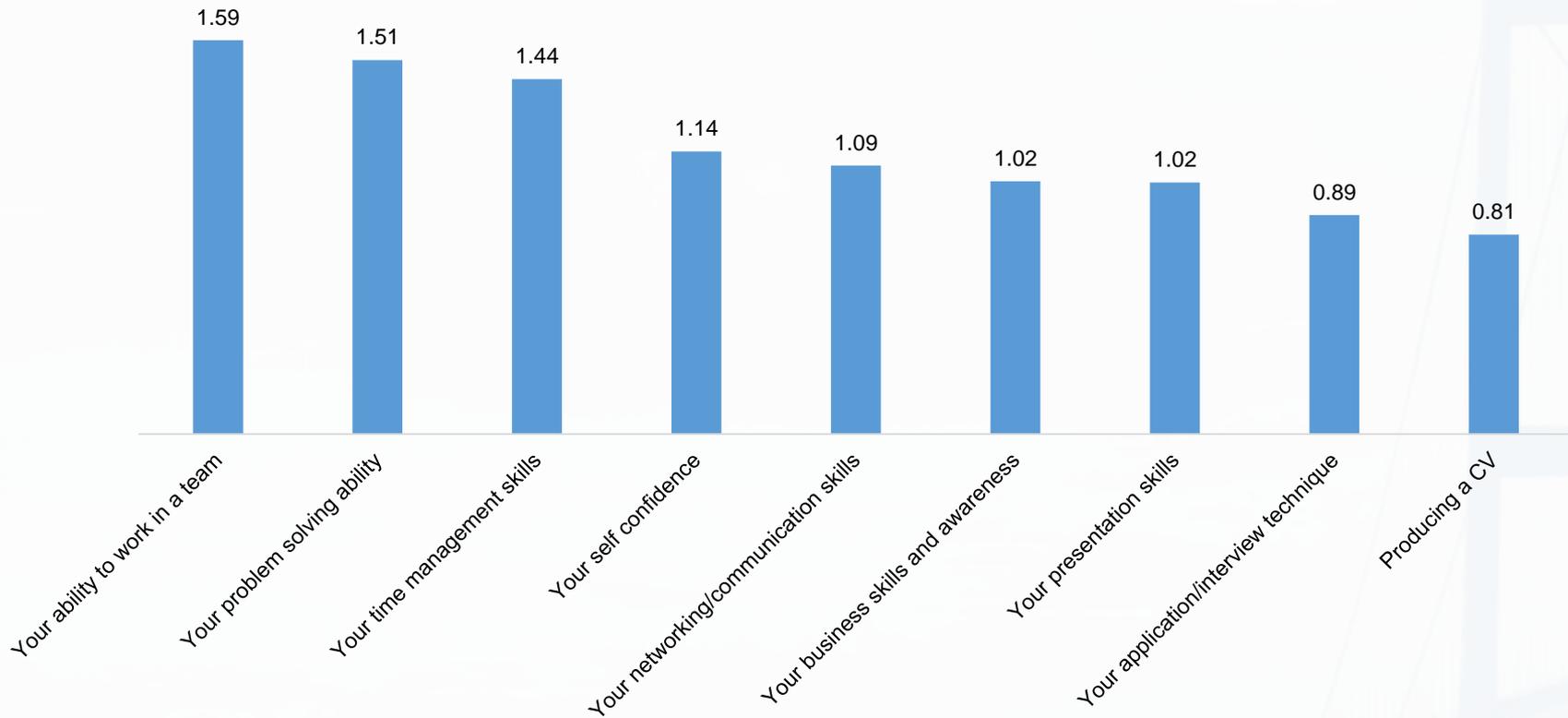

There are some skills where participants clearly already feel well developed, including working in a team, problem solving; and areas that are far less developed such as producing a CV, interview technique and presenting.

In order to make these responses easier to interpret, we have weighted the responses to produce a score for each skill, the results of which are overleaf.

Excellent	3
Very Good	2
Good	1
Poor	-1
Very Poor	-3

Work Experience – Impact Analysis (3)

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Weighted Scores: Pre Participation Survey - How Would you Rate Your Skills in the Following Areas?

- Your ability to work in a team: 1.59
- Your problem solving ability: 1.51
- Your time management skills: 1.44
- Your self confidence: 1.14
- Your networking/communication skills: 1.09
- Your business skills and awareness: 1.02
- Your presentation skills: 1.02
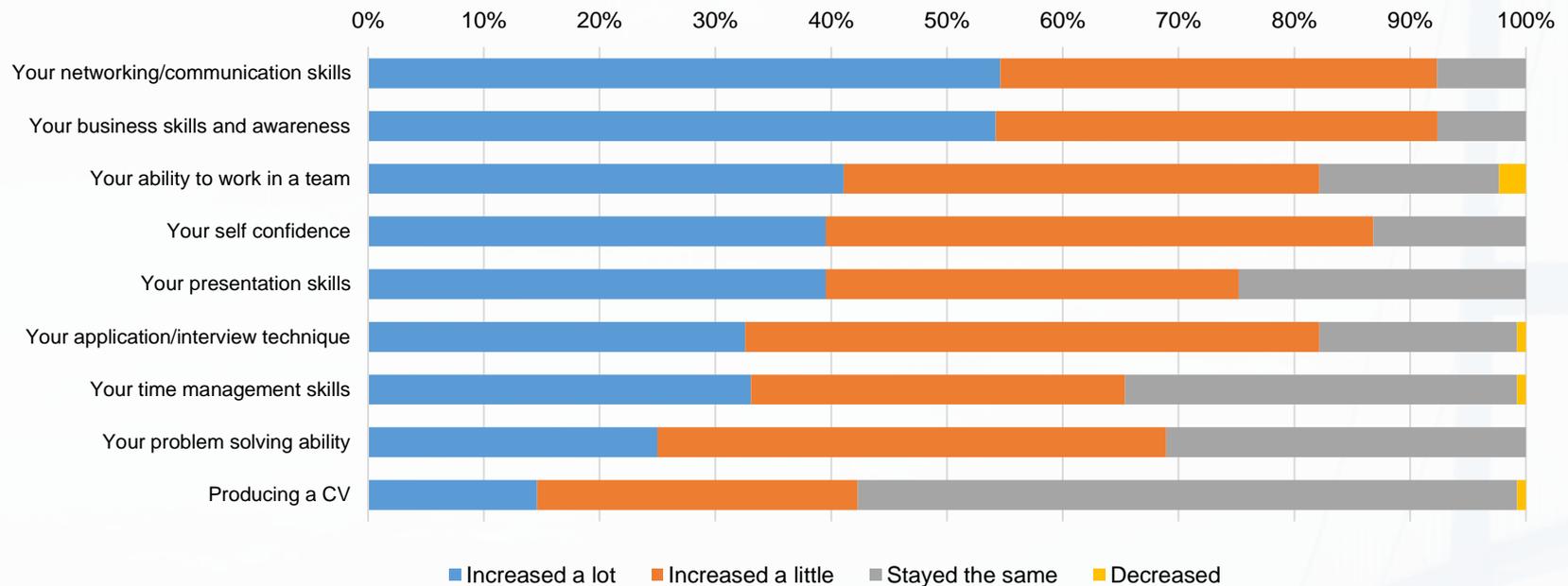- Your application/interview technique: 0.89
- Producing a CV: 0.81

These weighted scores make it easier to visually compare candidates' responses across the different skills areas.

Work Experience – Impact Analysis (4)

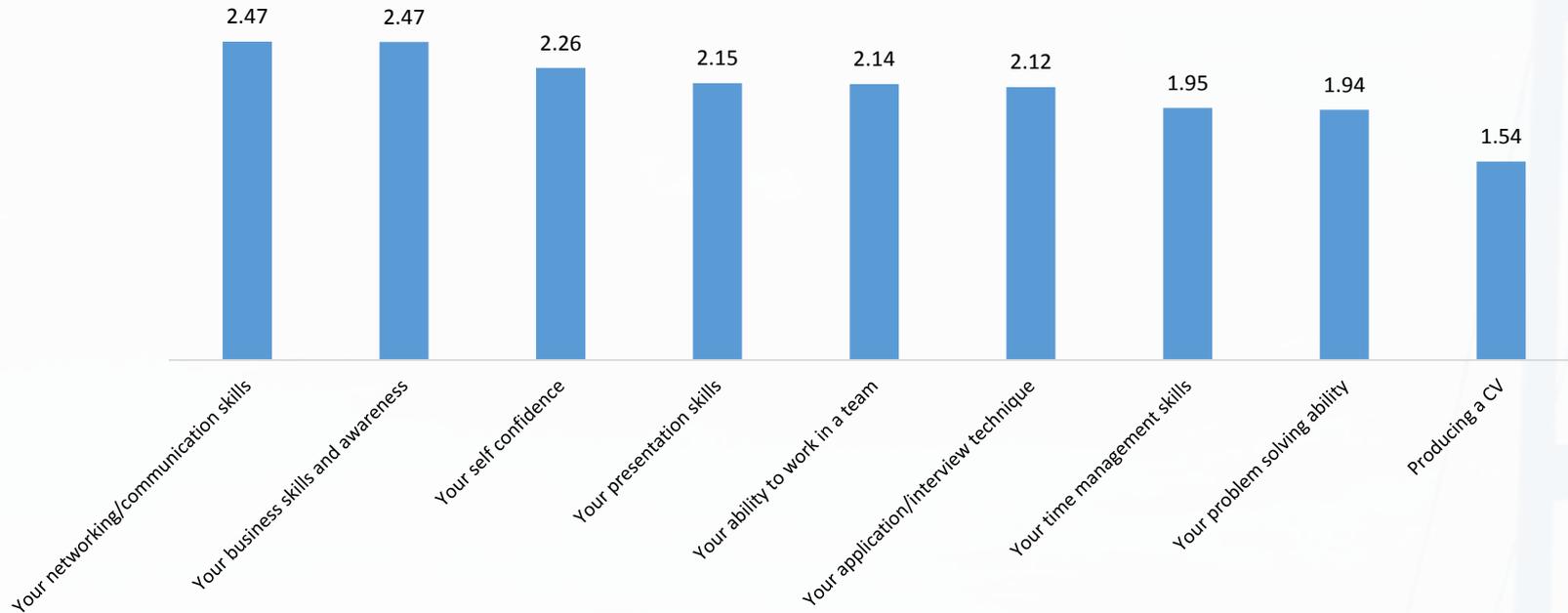The chart below outlines candidates' responses in the post-participation questionnaire.

Work Experience Post-Participation Survey Results: How has the work experience placement impacted your skills in each of these areas?

Legend: ■ Increased a lot ■ Increased a little ■ Stayed the same ■ Decreased

Categories (top to bottom):
- Your networking/communication skills
- Your business skills and awareness
- Your ability to work in a team
- Your self confidence
- Your presentation skills
- Your application/interview technique
- Your time management skills
- Your problem solving ability
- Producing a CV

Clearly participating in work experience has had a significant, positive impact on participants in some areas, most notably on networking, communication and business skills. As previously, weighted scores are illustrated overleaf.

Work Experience – Impact Analysis (5)

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Weighted Scores: Post Participation Survey - How has the work experience placement impacted your skills in each of these areas?

Bar chart values:
- Your networking/communication skills: 2.47
- Your business skills and awareness: 2.47
- Your self confidence: 2.26
- Your presentation skills: 2.15
- Your ability to work in a team: 2.14
- Your application/interview technique: 2.12
- Your time management skills: 1.95
- Your problem solving ability: 1.94
- Producing a CV: 1.54

With regards to the impact of work experience, CV development, presentation skills and interview techniques are all areas that deserve greater focus. This is based on the pre participation surveys (in which candidates stated these are areas in need of development) and on the post participation surveys (in which candidates identified that, relative to other areas, these aspects did not improve to the same extent).

Appendix A: Methodologies for Establishing SEB benchmarks

Benchmark	Notes	Source
Parental degree status within the school population	There are no data on this	
FSM eligibility within the school population	Pertains to students who are EVER6, i.e. those who have been eligible for FSM at any point during their secondary education, to ensure parity with the question asked by AA	www.gov.uk/government/statistics/schools-pupils-and-their-characteristics-january-2016
School type within the school population	7% for 11-16 year olds. This increases quite significantly post-16 (to around 18%) We use the former figure, since applicants and asked for their school type at age 11-16.	www.gov.uk/government/statistics/schools-pupils-and-their-characteristics-january-2016
Parental degree status within the higher education population	There is no data on this metric in the higher education sector, however a number of large scale surveys enable us to make reasonable estimates. These indicate that approximately 51% of students in higher education do not have parents with experience of higher education4. This data point should be regarded as a rough estimate, and not used for analytical purposes.	Trendence Graduate Study 2016, sample of 18,157 final year students
FSM eligibility within the higher education population	7.7% of the higher education population was eligible for FSM. This figure reduces to 4.6% if only the top third of HEIs when ranked by mean UCAS score are considered.	www.gov.uk/government/statistics/free-school-meals-pupil-progression-to-higher-education
School type within the higher education population	Within the general HE population, 11% attended an independent school. Amongst the top third of selective universities this figure is 22%.	www.gov.uk/government/statistics/widening-participation-in-higher-education-2015

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