



CONTEXTUAL RECRUITMENT IN AUSTRALIA

WHY RECRUITERS HAVE A ROLE TO PLAY IN PROMOTING SOCIAL MOBILITY,
AND HOW CONTEXTUAL DATA CAN HELP TO IDENTIFY HIDDEN TALENT

rare

DIVERSITY
RECRUITMENT
EXCELLENCE

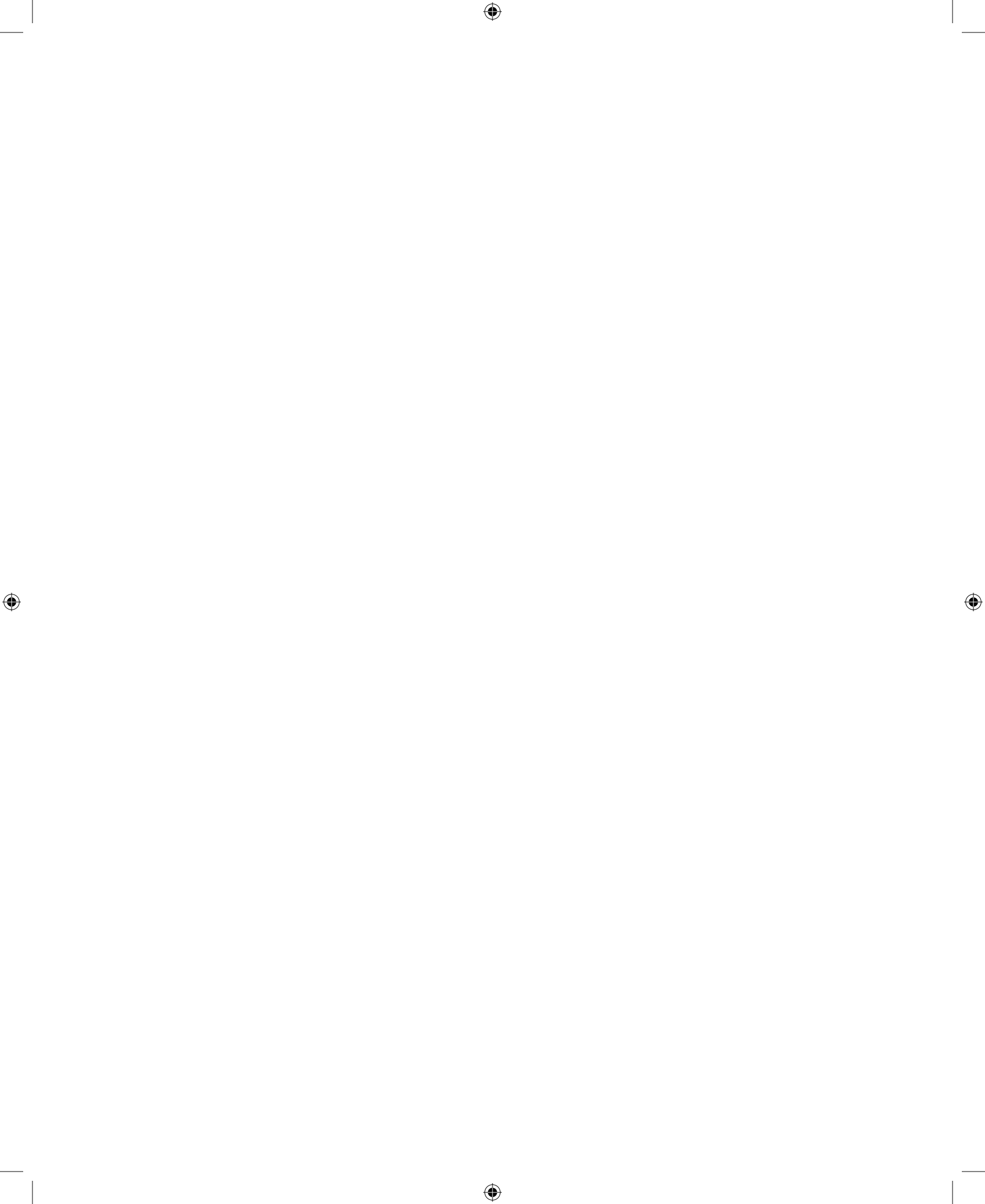
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FOREWORD

How, and where, we grow up has an effect on what we might be able to achieve. Upbringings are unequal. Indeed, it's in disregarding this, disregarding how some have managed to achieve despite the obstacles, that we risk missing some of the most impressive and resilient young people of our time; the very people we might want to hire.

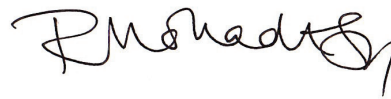
For 12 years in UK universities, and three years in UK elite graduate employment, admissions officers and recruiters have been applying this thinking, changing who they call to interview, how they assess, and improving who they hire. They have been choosing potential over polish – the rising star over the steady ember. Businesses and institutions are finding people they would have otherwise missed. And that's it: our judgement is impaired if we're looking at an object without knowing its context. Using relevant information about an applicant's circumstances allows us to understand the true extent of their

achievement. We can see, for example, their performance in relation to the people they were around and the situation they were in; people who outperformed everybody in their class by a factor of 10; people who achieved very strong – though, perhaps not stand-out exceptional – results while caring for their siblings, working during semester, and having to commute two hours each day to school. To recruit contextually is to have all the information you need to make an informed decision about the future face of your organisation.

Background matters no matter where in the world you are. This is why the pioneering use of contextual recruitment is spreading from the UK to businesses around the planet. Australia is, of course, a natural fit. Such opportunities to wield social impact, while improving the bottom line and the livelihood of our organisations, are rare. This is why we are proud and excited to be making this difference alongside Allens.



Miriam Stiel, Allens Partner



Raph Mokades, Rare MD

EXECUTIVE SUMMARY

Social mobility has increasingly been in the public eye in Australia over the last few years, and is one theme that has remained constant in a time of major political change. It refers to the movement of an individual beyond the confines of their socioeconomic circumstances – the improvement in quality of life, socially and economically, over a generation. Two key drivers explain the differences in social mobility between countries with similar economies: the level of social inequality, and how well the education system serves disadvantaged students.

Australia is far from being an *immobile* society – it is easier to move up the ladder here than in the UK and the US, for example, where income inequality is even more pronounced. However, given the strong link between levels of inequality and society's rate of social mobility, the widening gap between rich and poor in Australia, as well as the educational inequality evident in schools, are cause for concern. The level of income inequality in Australia is higher than the average among other members of the Organisation for Economic Co-operation and Development (OECD)¹, and has risen over past generations.

The idea of a *fair go* – the belief that people of equal intelligence, who are prepared to study and work hard, should have an equal chance in life – is central to Australian culture. But rising inequality, and its impact on social mobility, jeopardise this widely held belief. Beyond fairness, there are economic and socio-political reasons for promoting social mobility. If society does not make best use of all its citizens, human potential is wasted, and, over the long term, the economy underperforms.

Though schools and universities are key drivers of social mobility, employers also have a role to play, and the business case for doing so is compelling. The ability to identify candidates who may not look outstanding on paper, but whose talent shines through when their achievements are taken in context, gives recruiters a chance to interview and hire brilliant people whom they would otherwise have missed. Graduate

recruitment should be about *potential, not polish*. It should be about giving the opportunity to succeed to those whose potential has been masked by disadvantage.

Ultimately, the candidate who has overcome severe obstacles – be they educational, financial, or personal – is likely to outperform once they are on a level playing field with candidates who have not faced disadvantage. Growing evidence makes it difficult to refute the business case for diversity, and improving diversity in all its forms is crucial for businesses wanting to access untapped reservoirs of talent.

Allens is already a pioneer for diversity, inclusion and equal opportunity; its commitment to improving gender diversity, to developing relationships between Indigenous and non-Indigenous Australians, and to sponsoring scholarships for students from low socioeconomic status (SES) backgrounds, has been widely recognised² and paves the way for other top graduate recruiters to follow suit. In embracing the Contextual Recruitment System, and all it entails, Allens is sending a strong message to the entire sector, and beyond: that employers must take an active role in levelling the playing field for disadvantaged candidates in order to promote social mobility, to give all its applicants a fair go, and, crucially, *to identify talent*.

¹ *Inequality in Australia*. Australian Council of Social Service, 2015.

² Allens has been recognised by the Workplace Gender Equality Agency as one of Australia's employers of choice for gender equality.

THE REPORT

INTRODUCTION

Picture Bourke Street. Stretching from Parliament House in the east to Victoria Harbour in the west, it is one of Melbourne's best known streets, home to many of the city's theatres and cinemas, and packed with people, cars, cafes, bars and restaurants. Stand on the corner at the intersection with Exhibition Street, and you're surrounded by skyscrapers – Nauru House, Collins Place, and Southern Cross Tower, to name but a few.

But drive one thousand kilometres north and, after 12 hours through forests and national parks, you reach another Bourke Street. This one runs through the centre of the most disadvantaged suburb in New South Wales, Brewarrina, from the banks of Barwon River in the east to the very edge of the town in the west. There are no skyscrapers.

This street is home to Brewarrina Central School, a technical and further education (TAFE) college in the bottom one per cent of all 800 or so high schools in New South Wales. Of the school's 160 students, 97 per cent are Aboriginal; only 10 students were awarded a senior secondary certificate when term ended last December.

Bourke Street, Brewarrina, is a world away from Bourke Street, Melbourne. The two share little more than a name. But just off the Bourke Street with the skyscrapers is Melbourne Senior Secondary College (SSC). Although a private school, it was forced to shut in August 2015 after breaching minimum standards governing overseas students. It is in the seventh percentile of the 600 schools in Victoria (meaning that 93 per cent of schools are stronger academically) and, before it closed, its students achieved an average VCE study score of 21, one of the lowest school averages in Victoria. In contrast, students at Yesodei HaTorah College, only a 15-minute drive away, achieved an average study score of 41. This is the highest score in the State, and almost twice the average score of students at Melbourne SSC.

The two Bourke streets highlight some of the extreme divides visible in Australia. It is a country of contrasts in every sense of the word – social, economic, and geographical. Large parts of the mainland consist of deserts, yet there are tropical rainforests in the north. From floods to droughts to cyclones, thunderstorms, heat waves and bushfires, the country has probably seen every type of weather on the planet.

Today, Australia is home to people from over 200 countries, and a quarter of the population was born overseas. Since the first migration from Europe to Australia in 1788, when Britain transported convicts from its overcrowded prisons to the Australian colonies, close to 10 million settlers have migrated to the country. The overseas-born population is 10 times higher than the proportion who identify as Aboriginal or Torres Strait Islander, whose ancestors arrived in Australia at least 50,000 years ago. The first migration, 227 years ago, doesn't seem so long ago in comparison.

SOCIAL DIVIDES

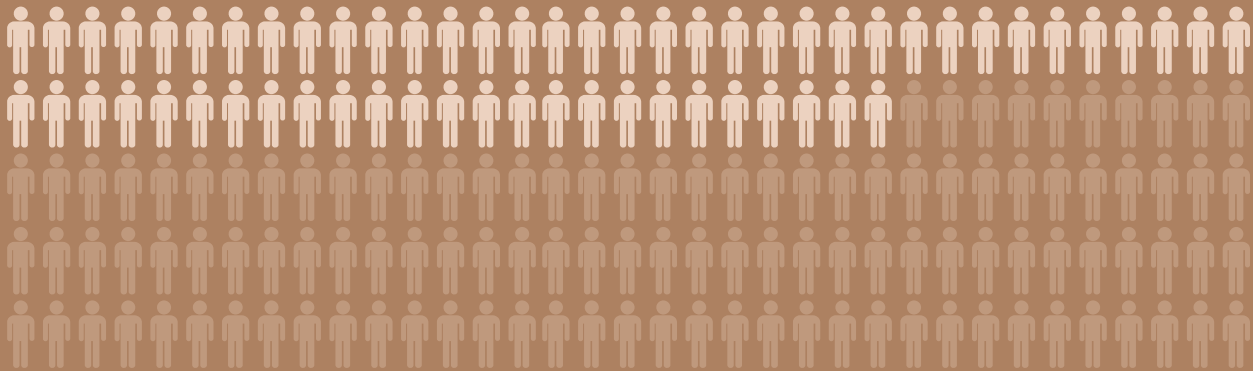
"The various inequalities of education opportunity outlined above are causing our economy to under-perform. They constitute a serious breach of the Australian 'fair go' - the belief that people of equal intelligence should have an equal chance in life if they are prepared to study and work hard." – Fred Argy, 2007.

Like similar societies, Australia was built on the massive arrival of settlers who shared the same intolerance towards the Indigenous people living on the territories they were conquering. The consequence today is a troubling gap between the life outcomes of Indigenous and non-Indigenous Australians.

URBAN-RURAL DIVIDE

OVER
6 MILLION PEOPLE

live in what is referred to as regional and remote Australia.

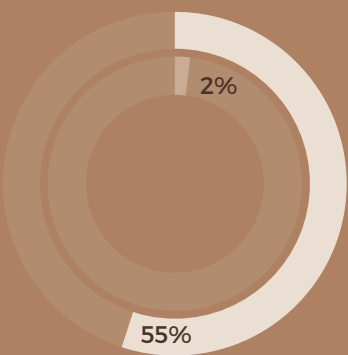


55%

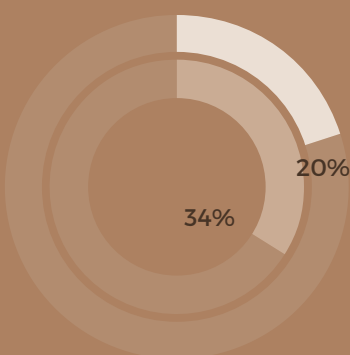
of people living in very remote areas are among the most disadvantaged people in Australia, compared to only 20% of those living in major cities.

Only 2% of people living in very remote areas are among the least disadvantaged people in Australia, compared to 34% of those living in major cities.

REMOTE AREAS



MAJOR CITIES



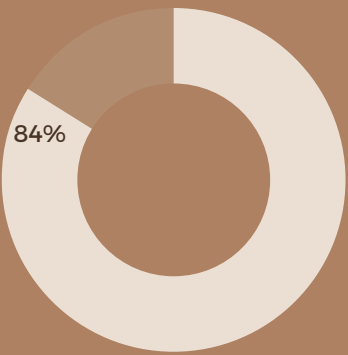
- Most disadvantaged people
- Least disadvantaged people

DIGITAL DIVIDE

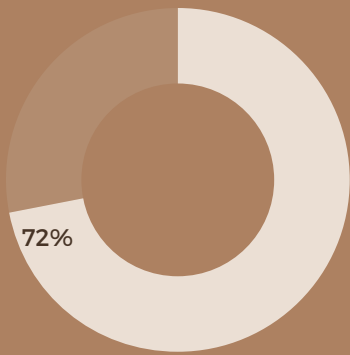
THERE IS A
12

percentage point difference between urban (84%) and rural (72%) Australians with a home broadband internet connection.

URBAN



RURAL



INEQUALITY IN SCHOOLS

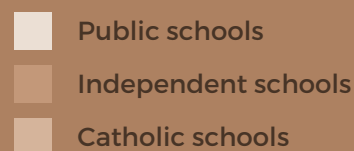
Around 80% of low-SES, Indigenous, remote area, very remote area and special needs students attend public schools. Only around 5% attend independent schools and around 15% attend Catholic schools.

Disadvantaged students comprise 46% of public school enrolments compared to only 14% of independent school enrolments and 23% of Catholic school enrolments.

SOME

94%

OF SCHOOLS WITH OVER HALF OF THEIR ENROLMENTS FROM LOW-SES FAMILIES ARE PUBLIC SCHOOLS.



GAP BETWEEN RICH AND POOR

AUSTRALIA'S TOP EARNERS, THOSE WHOSE INCOME IS IN THE TOP 20% IN THE COUNTRY, EARN FIVE TIMES AS MUCH AS THOSE IN THE BOTTOM 20%

THOSE AT THE TOP OWN 70 TIMES THE WEALTH OF THOSE AT THE BOTTOM

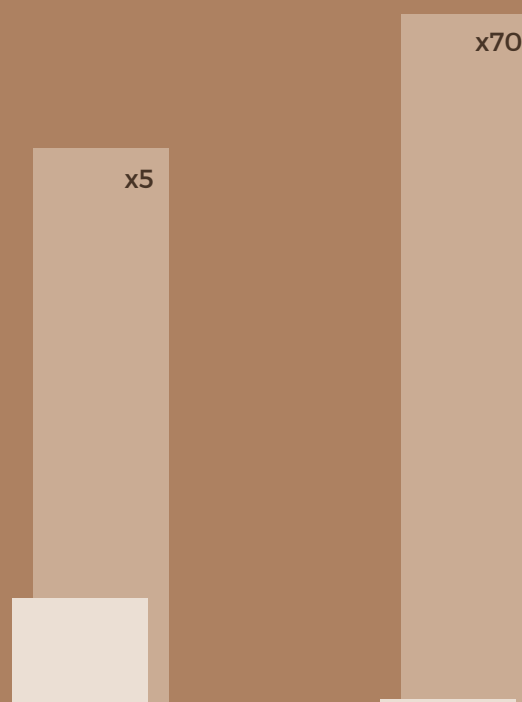
IN AUSTRALIA, THE GINI COEFFICIENT CURRENTLY SITS AT

0.334

HIGHER THAN THE OECD AVERAGE OF 0.313, MEANING THAT INEQUALITY IS HIGHER HERE THAN IN OTHER OECD COUNTRIES ON AVERAGE

EARNINGS

WEALTH



Indigenous Australians have a strikingly low standard of living. Their life expectancy is 10 to 11 years lower than the national averages of 79 and 83 for non-Indigenous men and women respectively, and they face higher rates of unemployment, crime, infant mortality, and school drop-outs. The unemployment rate among Indigenous people is 17.2 per cent, compared with a 5.5 per cent non-Indigenous rate, and infant mortality is thought to be up to three times the rate for non-Indigenous infants. In 2008, approximately 40 per cent of Aboriginal and Torres Strait Islander peoples aged between 18 and 24 were neither employed nor studying, compared to 10 per cent of non-Indigenous people.

The divide between Indigenous and non-Indigenous Australians is not the only example of social contrast in Australia. Over six million people – about a third of the population – live in what is referred to as regional and remote Australia. Studies have found that death rates increase with increasing remoteness, and the gap between urban and rural mortality rates is unchanging. Levels of income and education are also lower in regional and remote areas than in major cities. In 2001, over half of people living in very remote areas were classified as being among the most disadvantaged people in Australia, and only two per cent were amongst the least disadvantaged. This compares poorly with those living in major cities, where only a fifth were among the most disadvantaged, and just over a third were among the least disadvantaged.

In 1999, Chris Sidoti, then Human Rights Commissioner, launched a national inquiry on rural education. He believed that “children who live outside the major population centres in Australia should not have to settle for a second rate education.” However, it is *still* the case that the average urban–rural gap in school performance translates to the equivalent of *half a year* of schooling. Further, thanks to what has become known as the *digital divide*, those living in rural areas are also less likely to have a home broadband internet connection – so it is all very well for online educational resources to work beautifully in schools in Sydney if they can’t even be accessed by students in isolated schools.

Families in rural and regional areas tend to have lower SES, something often correlated with lower academic achievement and poorer outcomes. VCE completion, for example, is around 68 per cent in major cities in Victoria, compared to only 54 per cent in rural locations, and the average study score in English VCE is 31 in major cities and 28 in rural areas. For a student on the borderline between being accepted or rejected by a university, or even by a graduate recruiter, even this gap is significant.

There is also a clear – and widening – gap between rich and poor. Australia’s top earners, those whose income is in the top 20 per cent in the country, earn five times as much as those in the bottom 20 per cent. Those at the top own a staggering 70 times the wealth of those at the bottom. The most common measure of income inequality is the Gini coefficient – a value of zero represents perfect equality (everyone has the same income or wealth), while a value of one implies perfect inequality (one person has all the income or wealth). In Australia, the Gini coefficient currently sits at 0.334, higher than the OECD average of 0.313, meaning that inequality is higher here than in other OECD countries on average³. There has even been a slight increase in the Gini coefficient over the last 30 years, suggesting that income distribution in Australia has become more unequal. Although Australia’s income distribution is not as unequal as that of the UK or the US, it is still high.

The Australian education system is also relatively more dependent on private financing than it is in other developed countries, and the richest Australian families spend almost three times more on each of their children, largely for education, than the poorest 20 per cent of families. In schools across the world, educational attainment varies significantly between high and low socio-economic groups. The achievement gap is largely due to differences in resources and opportunities. Where Australia lags behind most other developed countries is *not* in average standards in literacy, mathematics and problem testing. It is in the ease of access to education and support by the more disadvantaged. The difference in academic performance between the highest and lowest performing students is significant, and is more dependent on the influence of class, family and social background than in many other countries.

In New South Wales, for example, in schools with a below-average Index of Community Socio-Educational Advantage (ICSEA), the success rate – i.e., the proportion of exam entries awarded top grades – is only two per cent. In schools with above-average ICSEA, it is over 13 per cent. The success rate increases dramatically for schools in the top 10 per cent in terms of socio-educational advantage, to an average of 34 per cent. In the top one per cent, which includes Sydney Grammar School, James Ruse Agricultural High School and St Aloysius’ College, the average success rate is close to 50 per cent.

In a 2007 paper, Fred Argy, who was a high level policy adviser to several Federal governments and has written extensively on the interaction between social and economic issues, argued that governments in Australia spend less on education and training than most developed countries, and what is spent on education flows to the more advantaged students.

But economic capital is not the only social asset promoting social mobility. Beyond economic means, social and cultural capital – a person’s connections and network, their education, and their intellect, for example – can put richer students at an advantage over their peers. Private school students are often surrounded by others who have well-educated and ambitious parents. Public schools, on the other hand, are more likely to have a high proportion of disadvantaged students – around 80 per cent of low-SES, Indigenous, remote area and students with a disability attend public schools, and only around five per cent attend independent schools. Further, disadvantaged students comprise close to half of public school enrolments compared to only 14 per cent of independent school enrolments. For those students with strong academic ability, there is a risk that they will not be pushed to achieve their full potential when in these surroundings.

The effects of education inequality manifest themselves in the labour market, and this is one of Argy’s key arguments for governments addressing education inequality – wider access to education can improve the efficiency of the labour market and employment participation rates. It also enhances the political health of the nation, as citizens are better able to participate in social, community and political life, and reduces social tensions arising from perceived inequalities of opportunity.

Another benefit from more equal access to education is its impact on national productivity potential. Argy claims that “The existence of unequal education opportunities is a sign that the economy is under-performing. Reducing these inequalities allows intelligent, well-motivated people to more closely realise their education and employment potential, lowers the incidence of crime, decreases the need for health care and welfare and delivers a more resilient and innovative economy.”

CRS AUSTRALIA

Herein lies the motivation behind Rare’s Contextual Recruitment System (CRS). Over the last few years, Rare’s research team has been working on contextual recruitment. Learning from a 2004 report on Fair Admissions to Higher

Education in the UK, led by Steven Schwartz, now chair of the Australian Curriculum, Assessment and Reporting Authority (ACARA), Rare produced a report on *Social Mobility in Graduate Recruitment* in 2013. This was the first study of its kind, sitting between university admissions and graduate recruitment, and drawing on good practices in Higher Education to provide practical recommendations for recruiters.

This research led to the development of our CRS, which aims to make a difference for exceptional students who may be missed for graduate roles because they lack polish, often due to financial or personal disadvantage. The CRS was launched in the UK last autumn and has since been adopted by some 30 top employers, including the entire Magic Circle of law firms (the UK’s top five) who have become pioneers of this approach. One of these firms is Linklaters, operating in alliance with Allens. The system allows recruiters to see contextualised data on candidates instantly, making it easy to spot students who have outperformed at disadvantaged schools, or who have achieved their grades in spite of difficult circumstances or social disadvantage. Rare has now become a leading expert on social mobility and contextual recruitment, and now sits on the Universities UK Social Mobility Advisory Group, profiled internationally.

The CRS aims to identify those intelligent, well-motivated people of whom Argy speaks. If recruiters are able to spot the candidates whose background may have masked their true potential, and give them the chance to interview, the proportion of excellent hires from disadvantaged backgrounds will no doubt increase – analysis of the data⁴ logged in the six months that the UK system has been live shows that the proportion of hires identified as disadvantaged increased by 50 per cent after the CRS was launched.

In adapting this system for Australian employers and students, we have shifted our focus to disadvantage criteria specific to Australia, as well as broader, comprehensive measures of school quality. These measures vary according to the data available in each State and Territory, but we believe our method of evaluating the influence of a school environment on a student’s performance will aid graduate recruiters throughout Australia to find the very best candidates, often in places where they may not have thought to look. More importantly, it will broaden the talent pool, and will ensure that top employers are able to identify and interview students with outstanding potential, who might otherwise have been missed completely.

⁴ Data from over 54,000 applications in the UK, as well as 671 hires out of an estimated 8,000 firm-specific applications

“RARE’S KEY RECOMMENDATION IS THAT HIGH SCHOOL ACHIEVEMENT AND OTHER CONTEXTUAL DATA SHOULD BE TAKEN INTO ACCOUNT TO IDENTIFY A DISADVANTAGED OUTPERFORMER.”

PUTTING CANDIDATES IN CONTEXT

Imagine that two students in New South Wales apply to a commercial law firm for a graduate role. Both achieved an ATAR of over 85, securing them places on Law courses at the University of Wollongong (UOW). One – let’s call him James – achieved an average GPA of 72, performing well consistently throughout university and the other – Jessica – achieved a GPA of 68, massively improving on her first year grades. James has work experience in a law firm, and Jessica doesn’t.

So at first glance, although the candidates are similar, James seems the obvious choice for selection to interview. However, James completed Year 12 at a school in the top one per cent of schools in NSW and Jessica at a school in the bottom one per cent. Both achieved HSC scores of around 82 in all their Year 12 subjects, but James’s school cohort averaged 80, and Jessica’s just 50. When we look at the school context, Jessica outperformed by *over 60 per cent*. And then we learn that she could only afford to go to UOW thanks to a scholarship. Further, we learn James’s law firm experience was secured by an uncle, and Jessica couldn’t afford an unpaid role because she had to support herself through university.

With the extra, contextualising, information, Jessica is more likely to merit at least an interview. She might easily have been overlooked by firms that routinely require legal work experience from their candidates, and that – in fact – means that these firms are missing out. Allens, however, looks for candidates from a broader pool of diverse backgrounds – those who can balance study with work and extra-curricular activities.

It is well known that individuals from rural and remote areas are much less likely to even progress to Year 12, so the very fact that Jessica got to university makes her exceptional. She has had to overcome disadvantages that James has not faced, and

has consistently performed well *despite* this. The environment that James grew up and was educated in also makes it likely that he will perform well at interview. Recruiters tend to look for ‘a good fit’ in their interviews, but it is not clear exactly what this means or how it is defined and assessed. It is common that unconscious biases on the part of the recruiter come into play at this stage of the recruitment process – James’s background may be similar to that of the interviewer, and this instantly creates a connection. Jessica, on the other hand, may have little in common with most people at the firm.

Rare’s key recommendation is that high school achievement and other contextual data should be taken into account to identify a disadvantaged outperformer. In general, if a candidate is applying for a graduate role, recruiters in Australia place lower significance on high school performance, and look at GPA more. But our research in the UK shows that disadvantaged students perform just as well as, if not better, than their peers at university. However, they are likely to underperform in their first year.

Michelle Wear, director of Student Success and Academic Administration at Griffith University, confirmed these findings. Widening Participation (WP) students – those who come from low-SES backgrounds, regional and remote areas, or identify as Indigenous Australians, for example – do just as well as other students at university, *if they overcome the initial six to 12 months*. These candidates are more likely to drop out early on in their courses due to financial difficulties, and so a key focus for universities, after WP participation, is retention.

So, if a candidate is being assessed early on in their university career, their potential to perform well academically, and on the job, may be missed. Several studies on Australian education found prior academic achievement to be a good predictor of academic success at university. This again corroborates our findings in the UK. Given this fact, it seems short-sighted to discount 18 years of education for a few years

“EDUCATIONAL INEQUALITY IS NOT JUST A ‘RICH-POOR’ PROBLEM.”

at university. Even if applicants are being assessed at the end of university, when the differences between candidates from different SES backgrounds even out, recruiters look at average GPA, and this takes into account first year. If a disadvantaged candidate was struggling early on at university, this will impact their final grade.

It is easy to come up with other examples of how simply putting a student’s academic achievement in the context of their school’s average grade can shed light on educational background and tell a story of disadvantage. Consider two students in Victoria, one at Yesodei HaTorah College and the other at Melbourne SSC. While the average study score at the former was 41, and the average at the latter was 21, there was still a very small proportion of study scores in the 40s at Melbourne SSC. Suppose a student here achieved an average score of 35. Even though they may not have done as well as someone who averaged 40 at Yesodei, they outperformed massively, by 67 per cent.

DISADVANTAGE FROM MANY ANGLES

Looking at a candidate through this extra lens gives another perspective and a deeper understanding of their background and experience. It is only by drawing on all relevant data points that a recruiter can make a truly informed decision about a candidate who is just on the boundary between progress and decline. While school environment has a major impact on attainment, other factors also come into play. In Australia, as in the UK, we can learn from universities when it comes to the use of contextual data.

Informed by the UK system and based on the nationwide definition of a WP student in Australia, and the criteria taken into consideration by the university admissions centres in each State when students apply through educational access schemes, we have defined a set of factors that form the contextual data points of the CRS. Broadly, these can be grouped into home environment and personal circumstances.

HOME ENVIRONMENT

Home environment encompasses a number of factors – the candidate’s financial background, whether they worked during semester, whether they are the first in their family to attend university, and the general level of economic and educational advantage of the candidate’s home postcode.

Educational inequality is not just a ‘rich-poor’ problem.

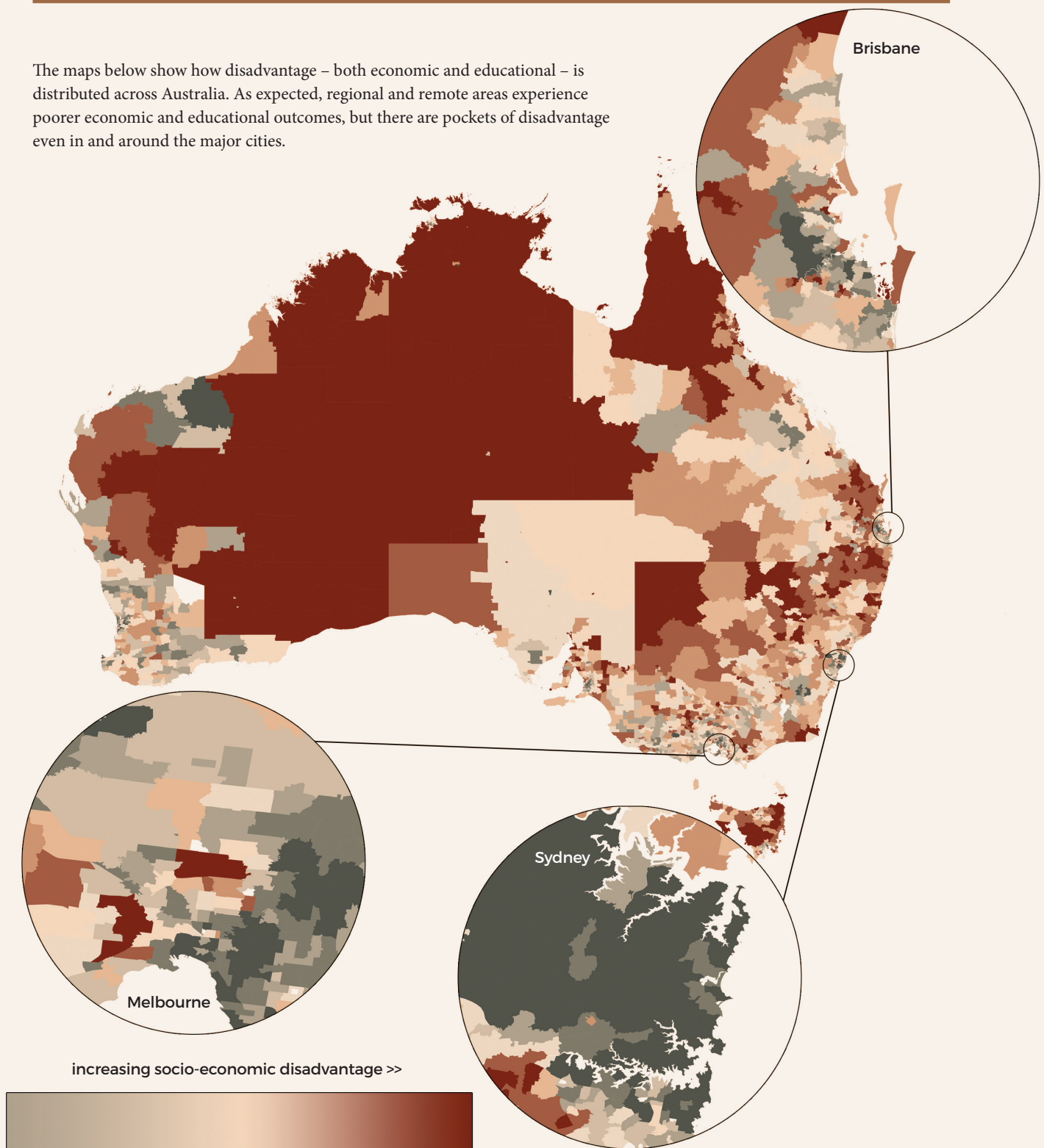
There are clear geographical inequalities between urban and rural or remote young people – rural students are less likely to finish school, underperform compared to urban students, and have a more restricted choice of subjects. The uneven spatial distribution of employment opportunities is also a major barrier to young people – the worst affected areas are in vulnerable manufacturing regions and urban fringes.

The Australian Bureau of Statistics (ABS) produces a number of Socio-Economic Indexes for Areas (SEIFA). Based on information from the five-yearly Census, these rank areas in Australia according to relative socio-economic advantage and disadvantage. Most relevant to contextual recruitment are the Index of Relative Socio-economic Advantage and Disadvantage (IRSAD), which summarises information about the economic and social conditions of people and households within an area, and the Index of Education and Occupation (IEO), which reflects the educational and occupational level of communities.

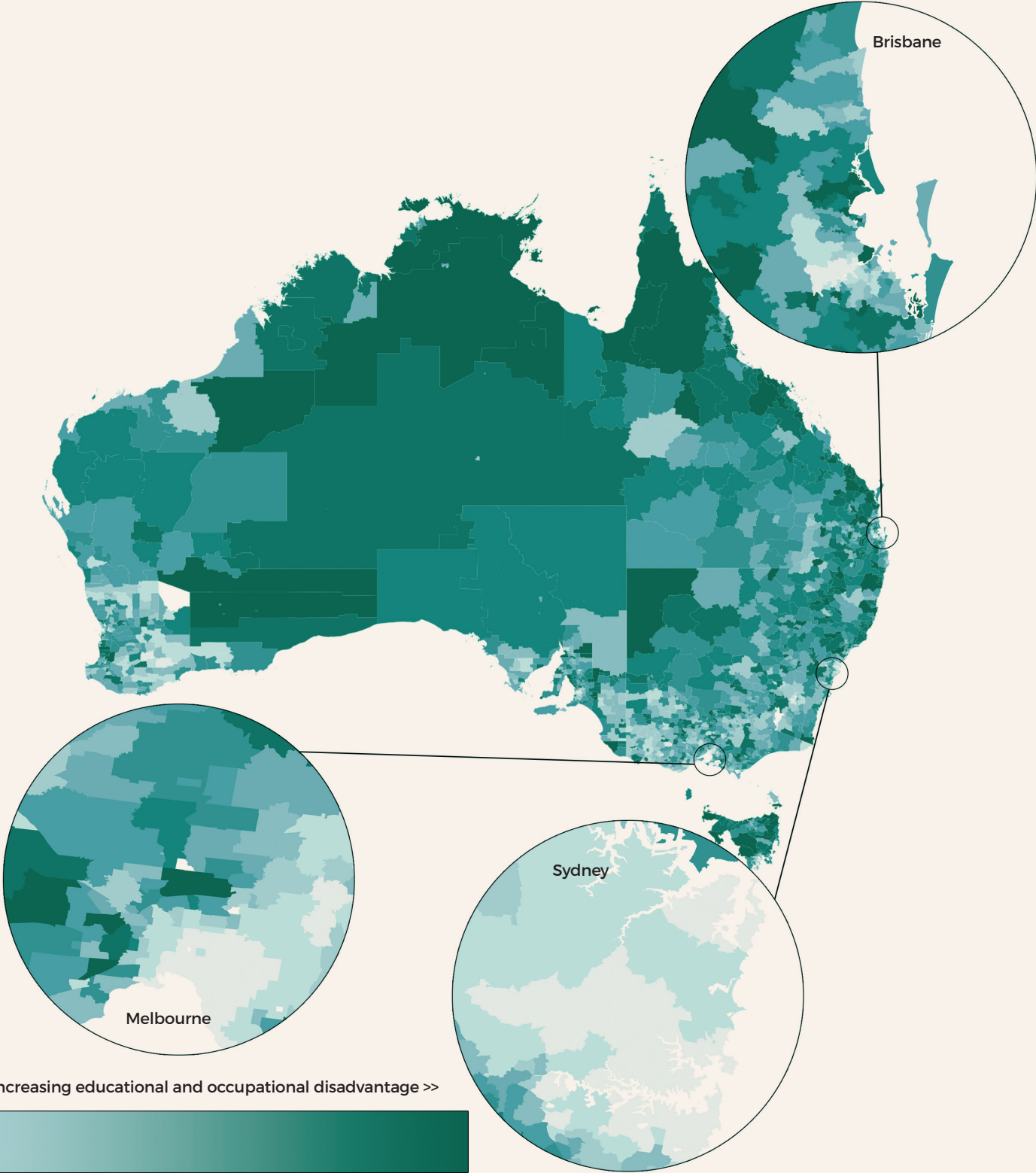
Bourke Street, Brewarrina (postcode 2839) is in the bottom 10 per cent of the population in terms of IRSAD and in the bottom 30 per cent in terms of IEO. It is severely disadvantaged both financially and educationally. Bourke Street, Melbourne (postcode 3000) scores highly on both counts – it is in the top 30 per cent in terms of IRSAD and the top 10 per cent in terms of IEO. Why take into account economic advantage? Because, as Argy explains, there is a large and possibly growing under-representation of students from low-SES backgrounds – by definition, 25 per cent of the nation’s population – and from government schools.

INDEX OF RELATIVE SOCIO-ECONOMIC ADVANTAGE AND DISADVANTAGE (IRSAD)

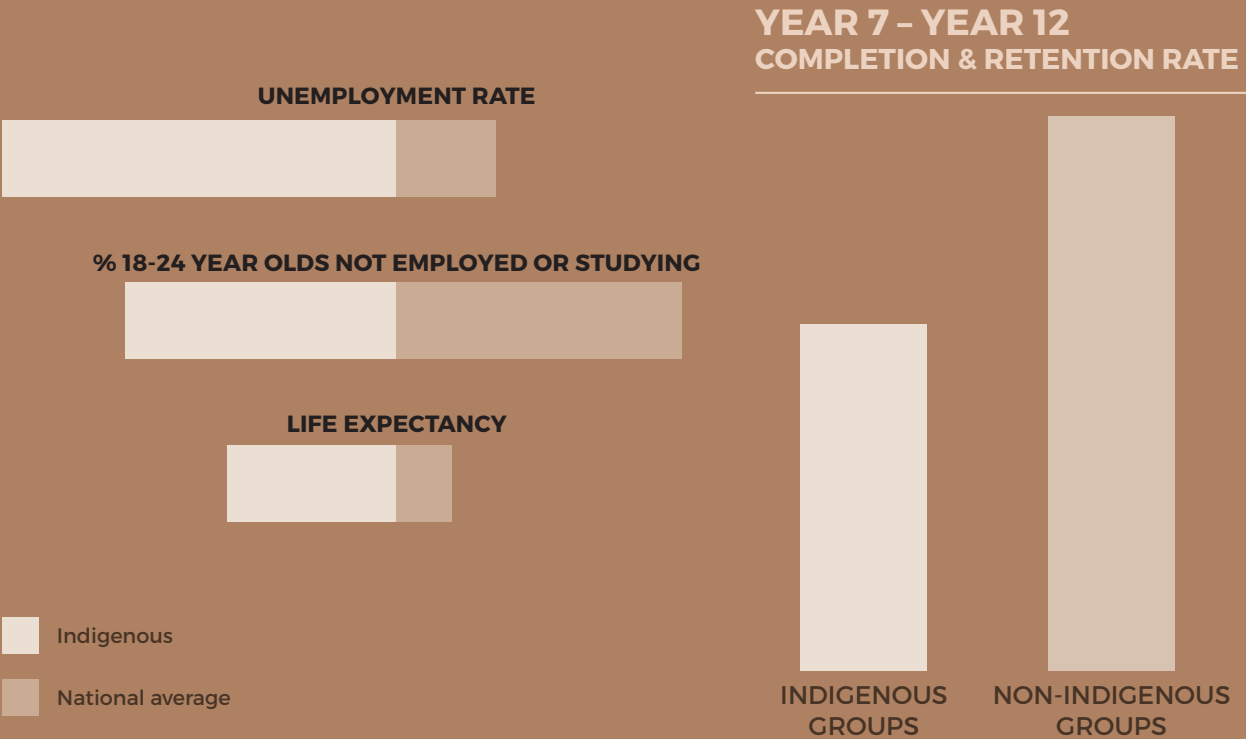
The maps below show how disadvantage – both economic and educational – is distributed across Australia. As expected, regional and remote areas experience poorer economic and educational outcomes, but there are pockets of disadvantage even in and around the major cities.



INDEX OF EDUCATION AND OCCUPATION (IEO)



SOCIAL DIVIDES



In spite of – or rather, because of – the fact that candidates may be unlikely to apply from poor areas, it is crucial to pay attention when they do. In fact, if outreach is happening in these poorer areas, then our initial research in the UK shows it works. Analysis of over 54,000 applications processed by the UK CRS so far showed that the fifth highest application rate in London came from one of its most disadvantaged boroughs. The reason seems to be geography – the borough is right on the doorstep of top City law firms and investment banks, and enjoys a disproportionate amount of their outreach effort. Similar boroughs no more than a cab ride away still have some of the lowest application rates.

The current approach to WP in Australian higher education is examined in a 2013 report by the National Centre for Student Equity in Higher Education (NCSEHE). Low-SES students are defined as those whose home postcode falls within the lowest quartile of the population in terms of the IEO. The current target – that, by 2020, 20 per cent of undergraduate students should be from low-SES backgrounds⁵ – is aimed towards equity, but falls just short of proportional representation.

While WP students are defined based on the IEO of their areas only, there are cases where IRSAD and IEO diverge. Paraburdoo is a town in the Pilbara region of Western Australia. Its postcode is 6754. It is in the top 30 per cent of areas in terms of IRSAD but in the bottom 30 per cent in terms of IEO. The reason? Most of the town's residents are employed by Pilbara Iron's mining operation and the supporting services. In June 2012, *The Australian Financial Review* reported that the mining industry topped the nation for wages, at an average salary of \$2,173 per week. Thus, there are many households in Paraburdoo with high incomes or in skilled occupations, but few people with a high level of qualification.

Consider the opposite scenario – the postcode 3066. Its IRSAD score is low – in the bottom 30 per cent – but its IEO score is very high, in the top 20 per cent in Australia. This postcode is that of Collingwood in Victoria. The people living in the high-rise Housing Commission flats built there in the 1960s may be struggling financially, but they are not disadvantaged in terms of education and employment. Students in this area would not be defined as WP students based on their postcode alone, due to the relatively high level of advantage in education and occupation in Collingwood. Nevertheless, students living here are likely to be financially disadvantaged.

⁵ *Widening Participation in Australian Higher Education*. National Centre for Student Equity in Higher Education, 2013.

Rare’s system moves beyond a simple definition of a disadvantaged postcode as one with low educational opportunity. By embracing the nuances of the differing indexes produced by the Australian Bureau of Statistics, the CRS is able to identify candidates living either in poor areas, or in areas with low levels of qualifications and lacking employment opportunity.

PERSONAL CIRCUMSTANCES

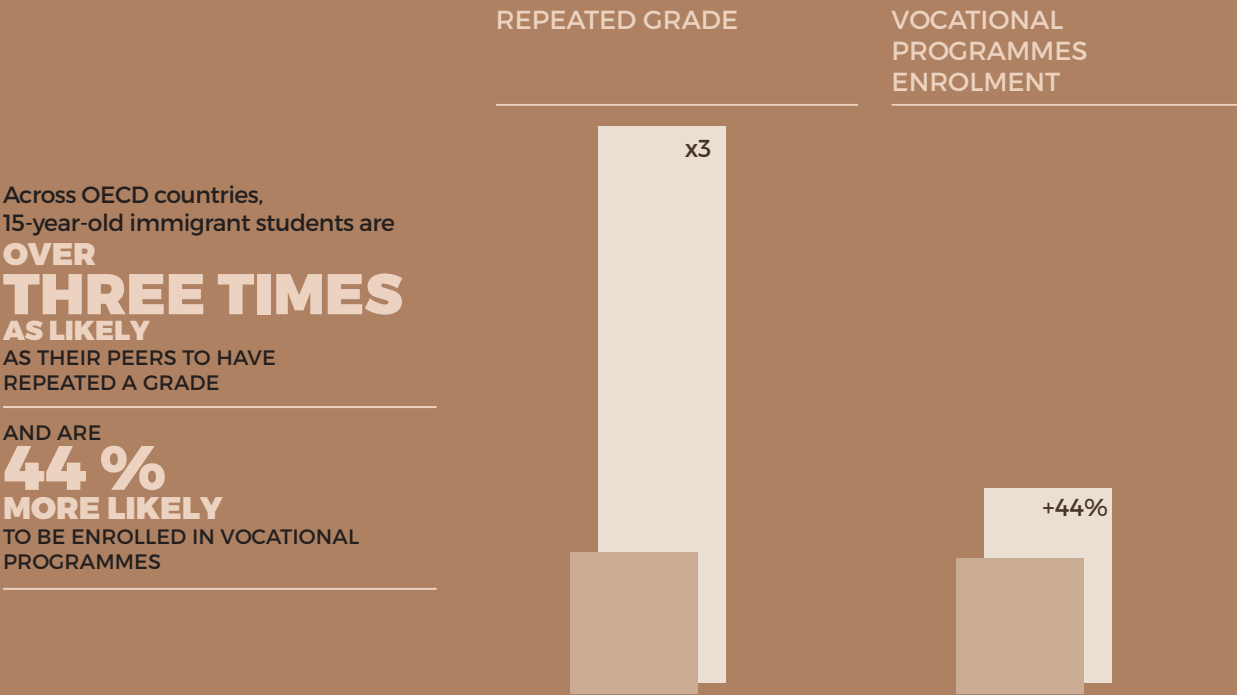
Of course, using a postcode alone as a proxy for financial disadvantage (or otherwise) can never be completely accurate. Without understanding the individual candidate or their personal circumstances, how can we be sure that we are not bringing to attention someone who is not actually disadvantaged, but happens to live in a disadvantaged area? The answer is through triangulation of multiple data sources: if a candidate’s family received government benefits, for example, or if the candidate consistently worked long hours during semester, there is no doubt some evidence of personal disadvantage. In combination with other factors, such as postcode, we can be certain we are identifying truly disadvantaged candidates. This approach is in line with some

universities – several universities, including the University of South Australia, for example, offer bonus ATAR points for the children of Centrelink claimants.

Personal circumstances include other factors that may affect academic attainment – entering the country as a refugee, or spending time in government care, for example. The academic performance of immigrant students is, in general, worse than that of their non-immigrant peers – across OECD countries, 15-year-old immigrant students are over three times as likely as their peers to have repeated a year and are 44 per cent more likely to be enrolled in vocational programmes.

Research by the Department of Education and Training conducted last year also shows that children in care underperform in comparison to their peers and often do not complete high school or undertake post-secondary education. In the UK, the gap in high school achievement between children who have spent time in care and those who haven’t is massive – 40 per cent. Analysis of applications through the UK CRS showed that these forms of acute personal trauma had the most significant effect on grades, far beyond the effect of economic disadvantage.

EDUCATIONAL OUTCOMES FOR REFUGEES



The gap between the school completion rates and academic attainment of Indigenous and non-Indigenous students is widely understood, and work is being done to address it. In 2008, the Council of Australian Governments agreed to the ambitious target of halving the gap by 2020 in Year 12 attainment rates between Indigenous and non-Indigenous students. A 2011 report by the Australian Institute of Health and Welfare found that over the last 15 years, there has been a decline of over a quarter in the gap in retention and completion rates from Year 7 to Year 12. Despite this improvement, the gap is still over 30 points – only 46 per cent of Indigenous students complete Year 12, compared to 77 per cent of non-Indigenous students.

Failure to complete Year 12 is also much more common among Indigenous students in rural and remote areas. Again, taking into account a number of different measures of disadvantage allows candidates who have overcome massive obstacles to be identified. Someone who identifies as Indigenous but grew up in the suburbs of Melbourne and went to a private school, for example, is definitely not disadvantaged to the same extent as someone who identifies as Indigenous and grew up in Brewarrina.

WHY DOES IT MATTER?

“Too much inequality risks cleaving us into two Australias, occupying fundamentally separate worlds, with little contact between the haves and the have-nots. And the further apart the rungs on the ladder of opportunity, the harder it is for a kid born into poverty to enter the middle class.” – Andrew Leigh, 2013

A LONG-TERM LOOK AT SOCIAL MOBILITY IN AUSTRALIA

The longer-term history of social mobility in Australia stretches back to the mid-20th century. There was a big rise in the middle classes at the time, especially after the second world war. Australia saw an expansion of white-collar jobs and a very large movement of people whose background lay in manual work and industrial jobs into blue-collar professional jobs. Population growth in the mid-20th century, caused by increasing life expectancy, contributed to economic growth. Society as a whole was changing rapidly on a large scale, and this was largely a positive phenomenon. With the middle class expanding, and more room at the top and middle, everyone could move up, and no one moved down.

But this kind of *absolute* social mobility, which characterised the latter part of the 20th century, has been and gone. While there was still some expansion in white-collar jobs in the late 20th century, it happened at a slower pace. From around the 1980s onwards, not only was there a slowing down of growth of the middle classes, but also the emergence of a downward mobility for people lower down the income distribution. Good, industrial jobs – the steady, regular, and secure sources of income that many relied on – were disappearing. Instead, people were taking jobs that were precarious and less well paid, and there was mass unemployment. Absolute mobility, in which nobody loses out, has slowly been replaced by *relative* mobility. This is a zero-sum game. With a relative position, if someone moves up, somebody else probably has to move down.

SOCIAL MOBILITY OVER THE LAST DECADE

In April 2006, a 116-page report entitled *Equality of Opportunity in Australia: Myth and Reality* had been published by the Australia Institute. It opened with the following paragraph:

*This study is about **equality of opportunity** – the opportunity available to well-motivated, capable and hard-working people to get ahead in life and achieve their maximum potential, no matter what their social background. Equality of opportunity can be measured in terms of **social mobility**: the frequency with which people move up the social hierarchy to a higher income or occupational ranking **irrespective of their different backgrounds and starting opportunities**.*

The report acknowledged that Australians overwhelmingly believe in equality of opportunity as a social norm, but warned that Australia was increasingly embracing American social values, and social mobility was changing for the worse. It also proposed several policy changes that could make it easier for young Australians from disadvantaged homes to compete on a level playing field and improve themselves over their lifetime. The author of this report has already been introduced – Fred Argy.

Argy’s case for improving social mobility was partly cultural, partly socio-political and partly economic. It was based on social cohesion and stability, and economic efficiency. He argued that unequal starting opportunities represent “a fundamental form of market failure”. Why? Because it means that society does not make best use of all its citizens; it means that a lot of human potential is wasted; and, over the long term, it means that the economy underperforms.

According to Argy, several policies that were at the time (2006) becoming increasingly relevant to Australia could lead to wealth concentration, the abuse of corporate power, the growth of oligarchies, a higher proportion of working poor and education inequalities. These were all forces that would “distort market income distribution and weigh down on social mobility”. The policies to which he was referring were regressive tax reforms, erosion of the minimum wage, a decline in welfare payments, and inequitable education policies, among others.

Argy argued that less generous levels of social security and employment protection would have *negative* effects on mobility. He noted that over the last few decades, Australian policy norm had shifted gradually from one that “implicitly guaranteed good jobs for everyone able and willing to work”, to one that “forces people to work whatever the quality of the job, its precariousness, pay and conditions”.

Australia’s policy mix of the last decade – “liberal economic reform with moderate employment protection regulation and conditional income support for working age Australians” – was similar to that of countries like Britain, Canada, Ireland and New Zealand, and had resulted in good economic outcomes as well as good income distribution. However, the shift towards a model similar to that of the US, with its low levels of income support and few employment protection laws, would result in very good economic outcomes but poorer income mobility and equality.

SOCIAL MOBILITY, EDUCATION, AND POLICY

A year later, just before he was elected in December 2007, new Prime Minister Rudd addressed the Melbourne Education Research Institute at the University of Melbourne, arguing “Education is the engine room of the economy. Education is about fairness. Education is the pathway to prosperity.”

However, there was no conclusive evidence to suggest that this education revolution meant that someone who attended a low-ranking school could realistically both aspire to and achieve their ambitions. In late 2011, David Gonski’s review of school funding, commissioned by the Government the previous year, was published. It found that not only had the performance of Australian students declined at all levels over the last 10 years, but that there was a significant gap between its highest and lowest performing students, and “an unacceptable link” between low levels of achievement and educational disadvantage, particularly among students

from low socioeconomic and Indigenous backgrounds. The report recommended that support for the lowest performing students should be prioritised, and that every child should have access to the best possible education, regardless of where they lived, the income of their family, or the school they attended.

Speaking on ABC Radio National in 2012, Andrew Leigh, then Federal Member for Fraser, author and former professor of economics at the Australian National University, feared that in the next generation, the widening gap between rich and poor would make Australia a less mobile place, a place where what your parents do really does determine what you do. However, it was difficult to say either way whether it was harder to move from rags to riches in Australia in the present day than it was a generation ago.

Shortly afterwards, Leigh published a book, *Battlers and Billionaires: The Story of Inequality in Australia*, in which he argued that an important goal for public policymakers was to ensure that economic gains were broadly shared across the community. He pointed out that Australian inequality had increased significantly over the past generation. Like Argy, Leigh believes inequality isn’t just to do with fairness – it also concerns how society can work most effectively. As rich and poor stretch further apart, he argues, “the social fabric threatens to tear.” Evidence shows that in countries with larger income gaps, the accident of your birth tends to determine where you end up, and equal societies are mobile.

A year later, in July 2014, the Australia Institute published a report on income and wealth inequality. A massive 81 per cent of Australians at the time wanted the level of social services to either remain as it was or to increase. Inequality affected everyone, impacting currency, housing prices, the cost of living, and the nation’s ability to afford and maintain education and healthcare systems. Further, because children in poorer families would find it hard, or largely impossible, to climb the financial ladder, there was a risk that poverty would create poverty in subsequent generations.

Around the same time that year, Declan Gaffney, author of a recent study entitled *Dismantling the Barriers to Social Mobility*, spoke on ABC Radio National. He distinguished between the two types of social mobility introduced early on in this chapter: *absolute* social mobility and *relative* mobility. The first refers to large scale social change, of the kind seen during the 20th century, especially in the post second world war period. The second refers to how people’s chances of getting ahead or moving downwards, depending on where they start from, compared to other people in society.

LEO'S STORY

Allens has long been at the forefront of diversity and inclusion policies in recruitment and employment. It has made significant progress in gender diversity, and in its Indigenous Legal Internship since its commencement in 2006.

This means that there are a number of case studies of talented and successful lawyers who started as disadvantaged candidates and made it through school, university, and the recruitment process. As Allens continues to forge the way in promoting social mobility, such cases will inevitably become even more common. The lawyers at Allens who have volunteered to take part in this research, those who have experienced some form of disadvantage but have still made it up the ranks, are exceptional people who have overcome disadvantage to succeed.

Leo* is one such lawyer, based at the Allens office in Melbourne. Born in Beijing, his family moved to Australia in 1999, when he was eight years old. He attended two primary and two high schools, both public, and had to take Grade 2 three times – once in China, then in Sydney, then Melbourne. At that age, he struggled with the English language, and had to cope with that on top of adapting to a completely new environment.

Leo completed Year 12 at a secondary college in the south-eastern suburbs of Melbourne. In the outer suburbs, Leo explains, there tend to be lots of students from backgrounds where education is not a priority. Leo's parents did value education, having both been to university in China, but his dad worked a lot, fixing computers, and his mum was not working and receiving sustenance benefits. Leo himself was on Youth Allowance throughout Year 11 and 12. The money went towards helping with rent. On top of this, Leo worked most weeks at Safeway – now known as Woolworths. He reduced his shifts during exam periods.

Despite helping to support his family financially, Leo performed exceptionally well at the end of high school – while

the students around him lacked motivation and achieved study scores of around 30, on average, Leo aced his VCE exams and finished school with an average study score of 41.

Had Leo applied to Allens through Rare's CRS, his level of outperformance would not have been missed. The fact that he was receiving benefits, and that he had to work throughout high school, would also have been flagged. Achievement of this standard, at a school that is not particularly strong academically, and in the face of financial disadvantage, says a lot about a student. These are the students who take initiative. They push themselves, even when – as in Leo's case – neither teachers nor students are motivated. Leo says he worked hard, but says that it's not always enough if teachers are unenthusiastic.

There were not many enthusiastic students at Leo's school either, and the friends he made were not interested in academia. There wasn't much opportunity to have academic discussions or bounce ideas off other people. Academically, there was not enough material provided by the school to stretch a talented individual like Leo. Some teachers did the absolute minimum, rather than encouraging learning and following up on homework. This was in direct contrast to private schools, where teachers feed more material to students – it might not directly help with exams, but it helps with general knowledge and development.

Leo explains that large numbers of students at public schools have experienced some level of disadvantage. His school supported its students by managing expectations – the careers advisers in Year 10 advised students against taking hard subjects. Some were encouraged to take vocational training as an alternative route to the VCE. Leo, for example, was asked to consider taking five units rather than seven. He “respectfully declined”, believing that an underload in Year 11 would break up the rhythm of study he had got into over the last year. Rather than encouraging a student who clearly had potential, teachers at Leo's school were actively discouraging him from challenging himself academically.

* To protect the privacy of our volunteers, names and some minor details have been changed in this case study.

Before Allens and university, Leo had never stepped foot in a 50-level building. He had had no exposure to corporate life, and was more of a country than a city boy, having lived in the suburbs. He believes that “school definitely continues to have an impact on graduate recruitment.” Leo’s case is a classic example of countless candidates we have seen in the UK who lack economic, social and cultural capital. Compared to their private school peers, they lack the support to stretch themselves academically and beyond the constraints of the curriculum, the freedom to really engage in extra-curricular activities that will build their cultural capital and might spark a connection with an interviewer, and the connections and social networks that will serve them throughout their lives.

After the VCE, Leo was awarded an Equivalent National Tertiary Entrance Rank – the equivalent to today’s ATAR – of 98.6. He scraped into Monash University to study Law, with a double degree in Biomedical Sciences. Because of his socioeconomic background, Monash offered him a scholarship. He also applied for another scholarship, offered by Doxa Youth Foundation, a charity founded in 1972 and working in partnership with big corporate sponsors to help disadvantaged young people in Victoria. Leo got onto Doxa’s cadetship program which has been running for over 20 years. Each year, the sponsoring firms paid an allowance to candidates and offered professional advice and work experience.

As luck would have it, Allens had sponsored the program each year since it had started. Leo was selected by the firm to follow in the footsteps of more than 30 students it has supported through the Doxa cadetship program.

Law students generally apply for clerkships in their penultimate year. In Victoria, these are three and a half week long internships, taken over semester breaks. Students can generally fit three in before they graduate (or four with very careful planning) and they are then eligible for a graduate role. Graduates are generally selected from the clerkship pool, and so not doing a clerkship can reduce the chances of getting a role at a law firm after graduating.

But students at university who do not have a legal background or work experience might not know this. Leo says he was lucky that Doxa put him in touch with Allens, and he ended up working in the mailroom there. Prior to that, he was working part time at a supermarket. The disadvantage when planning to apply for a role at a law firm was not knowing that for many firms, legal work experience is a requirement. “By the time you find out, it may be too late,” Leo explains.

Before the interview, Leo picked up a lot of tips on how he would be expected to behave from the professional development run by Doxa. This made a big difference – according to Leo, “not coming across correctly to the interviewer can lower your chances of getting a job.” Though Leo did not feel disadvantaged in any way throughout the recruitment process at Allens, thanks to his experience with the firm through Doxa and his work in the mailroom, most interviewers asked a lot of questions about his background.

The problem with this approach is that it is not consistent between interviewers, and it is difficult to assess. Asking about background may give an interviewer a sense of how far the candidate has come, and whether they would be a good fit at the firm, but, even if background is taken into account when making hiring decisions, the process becomes a case of the “luck of the draw” for candidates. Some may have overcome disadvantage to get where they are, but might not be asked about it at all, while for others, it may be the difference between an accept and reject.

This lack of consistency means some firms are unable to track the numbers of disadvantaged candidates who apply, and who get hired. They are unable to assess how these candidates perform throughout their careers compared to everyone else. And, crucially, they are unable to identify talent even when it is staring them in the face, and might miss the brilliant candidates whose achievements have not been taken in context.

Gaffney's report compares social mobility in developed countries with similar levels of GDP. It finds that Canada, Australia and Germany are better places to live than France, the US, Italy and the UK if you are choosing your home based on your ability to move up the ladder. Measuring social mobility by the extent to which parents pass on their advantages and disadvantages to their children, the study found that, in Australia, parents pass on around 25 per cent of their advantage or disadvantage. Though this may be pretty good luck for a child of a wealthy family, it locks down children from low-income families, making it difficult for them to move up, despite their intelligence, effort, natural ability, ambition or talent.

In July 2015, Director of the UCL Institute of Education Centre for Global Higher Education, Simon Marginson, argued that education is the *single best mechanism* we have for families who are ambitious, hard-working, have some talent, and want to make their way up from a position of relative poverty to a position of relative affluence. However, education is no longer that ladder for as many people as is sometimes thought. To use his phrase, "the eye of the needle has closed" somewhat for those trying to enter the upper echelons of society. This is the result of massive shifts in inequality, with the top one per cent taking nearly all "fruits of economic growth" in Australia and similar societies. Although education is still important for lower-middle class families – merit provides opportunities, and leads to social opportunities, and a better life – Marginson argued education policy *alone* can't drive upward social mobility or make a more egalitarian society.

Last year a study at the University of Wollongong set a new benchmark for estimates of Australia's social mobility. This was lower than was previously thought – it has become even harder to move from rags to riches over a generation. The new findings place Australia much closer to where theory would predict, given its level of income inequality – the average income of the top 10 per cent of Australian income earners is almost nine times higher than that of the bottom 10 per cent. This *Great Gatsby curve* theory says higher income inequality leads to lower levels of intergenerational mobility.

This February, the NSW Minister for Education, Adrian Piccoli, commented on the findings of the report and urged the federal government not to abandon the State's most disadvantaged schools. Piccoli has been lobbying the government to fund the final two years of Gonski funding, which aims to reduce the impacts of socioeconomic disadvantage and would see hundreds of millions of dollars invested in disadvantaged schools. He acknowledged that "a child doesn't get to choose to be born to parents who are doctors, they don't get to choose to be born to parents who are drug users, it is never the child's

fault," and added that it is society's responsibility to *level the playing field* through education.

The government's focus now is on human capital, and giving children a better opportunity by investing in their education and addressing the growing divide between secondary schools in Australia. An article in *The Age* a few months ago argued that Australian schools are "entrenching division and inequality" – independent schools discriminate based on the social divisions of income and wealth, selective schools on academic talents, and public comprehensive schools on geographical location.

WHAT IS THE ROLE OF EMPLOYERS IN ADDRESSING INEQUALITY?

The solutions to educational inequality proposed by Stephen Parker were the first to reference the role of employers. It is clear that the problem of social divisions starts much earlier in the pipeline, with disadvantaged candidates less likely to complete Year 12, to get into university, to complete university, and even to do well at university. Nevertheless, it is crucial that employers take an active role not only in outreach, but in supporting those who make it to application stage.

There has been significant progress across Australia in improving gender diversity, outcomes for Indigenous Australians, and, more recently, cultural diversity – aiming to address the widely acknowledged fact that Asian talent in Australia, in particular, is significantly underutilised. Social mobility, though often at the forefront in public interest and political debate, has not been addressed or promoted in the same way. The fact is that growing inequality in Australia has had a negative impact on social mobility – the accident of your birth has an inevitable effect on where you end up. It may place you at the top of the ladder, or may mean you have difficulty stepping onto the first rung.

For candidates who successfully complete high school and graduate from university despite growing up in a poor or remote area, or facing personal disadvantage, the final hurdle of graduate recruitment is often where they fall. This is not because they lack the academic ability or talent to succeed. It is certainly not because they lack potential. The problem, sometimes, is a lack of polish – often caused by a lack of social and cultural capital – which means that disadvantaged candidates may not appear as slick as their peers, or may not

be seen to be “a good fit”, whatever that means. Graduate employers, therefore, have a crucial role to play in levelling the playing field at this final hurdle.

While recruiters may well be aware of the unconscious bias that comes into play at interview, there is no evidence of a widely accepted best practice for supporting disadvantaged candidates in recruitment. The Australian Human Rights Commission produces *Good Practice, Good Business* factsheets to help promote diversity and prevent discrimination in the workplace. One of these factsheets focuses on fair and equitable recruitment processes. It advises that all applicants must be evaluated using the same selection criteria; that skills, ability and experience matching the job requirements should be consistent with decision-making; and that interviewers should not make assumptions based on a candidate’s behaviour or body language that may be the result of his or her cultural background.

This advice is, of course, helpful. However, applying this advice, consistently, across a firm’s recruitment processes is difficult, particularly when the firm recruits large numbers of graduates a year and the process involves many different assessors at the screening and interview stages. As far as the research on recruitment in Australia shows, there has not been a move to harness the power of contextual data and technology in ensuring fairness for disadvantaged candidates. Rare’s CRS is the first of its kind, ensuring that every single graduate who applies to a role is consistently assessed in context. The CRS takes into account where they live, where they went to school, how they did in Year 12, whether they had to work during high school, or care for someone, whether they came to the country as a refugee, whether they spent time in care, whether they are Indigenous, and whether they experienced personal trauma.

These factors leave an indelible mark on a candidate. They shape their style of speaking, and of dressing, their mannerisms, their sense of humour, even the firmness of their handshake. Assessing someone based on a single number – a GPA, for instance – or their university, or their work experience, means that recruiters are not seeing the bigger picture. Although it could reasonably be argued that letting context skew hard measures of achievement could introduce unfairness into the process, the key role of the CRS is ensuring *consistency* in the way we identify disadvantage and assess outperformance.

MELANIE'S STORY

Melanie* is another example of a talented and successful lawyer at Allens who started out living and studying in one of the most disadvantaged areas in Australia. Her home is in the bottom 20 per cent in Australia in terms of relative socio-economic advantage, and in the *bottom 10 per cent* in terms of education and occupation. Its key industries are heavy manufacturing, forestry and farming, and in 2011, it was allocated a share of 38 million dollars as part of a Government initiative to improve employment outcomes. It is the sort of place where many young students with a lot of potential face considerable family pressure *not* to go to university – every year they are studying is considered a year of lost wages.

In Year 10, Melanie attended a rural community school where most students – a staggering 85 per cent – didn't go on to complete Year 11 and Year 12. Of those who did, maybe five went to university and completed a degree. After Year 10, Melanie moved to a local college where a very high proportion of students were disadvantaged in some way. Most came from low-SES backgrounds, hadn't had much exposure to many industries or professional careers, and didn't have clear goals for their future. Melanie finished Year 12 in the top ten per cent of her cohort and achieved an ATAR of 96, way above the school average of 75. Most of her peers hadn't completed their senior secondary education at all.

Throughout high school, Melanie had no financial support from her family. To support herself, she worked two jobs, leaving classes early to arrive at work on time. There were just not enough hours in the day to fit in further study or the luxury of extra-curricular activities after school. Many others in her situation, surrounded by similarly disadvantaged students, were unaware of the support services available to them; there was always someone worse off than them, and disadvantage is always relative.

She was the first person in her family to attend university, and throughout her degree, she continued to work the entire time to ensure she had something to fall back on. Towards the end of the course, however, her grades became quite inconsistent – during her clerkship with Allens, her mother-in-law was diagnosed with terminal cancer and university was not a high priority. “Allens was fantastic,” she says, “I couldn't fault them. When I told them what was happening, and that I wasn't expecting good grades, they completely understood, and said they wouldn't reject me based on that.” But, as Melanie acknowledges, things could quite easily have gone the other way – again, it was largely down to luck that her personal circumstances were taken into account.

The interview process at Allens puts some emphasis on assessing performance along with personality to determine fit within the firm. This means that there is sometimes opportunity to talk about background and disadvantage – *if* candidates want to take it, and *if* interviewers want to consider it. Although this is not always taken into account, various forms of disadvantage can sometimes become advantages in the workplace. Financial pressure, for example, can force a candidate to become practical and independent.

On paper, neither Melanie's university nor her GPA would typically stand out to recruiters. Often, firms recruit from a handful of universities, without considering the fact that rural students in Victoria, for example, might not have had the option of going to the University of Melbourne or to Monash University simply because they couldn't afford rent prices in Melbourne. Some firms' recruitment processes tend to focus very much on CVs and grades, and candidates who have none of the usual “beacons” of a prestigious university, stellar grades, or impressive awards are likely to be dismissed out of hand.

In some cases, firms might expect graduates to have life experience, perhaps gained by travelling. The huge assumption is that everyone can afford to gain “life experience”. What would it mean, logistically, for someone like Melanie, who worked throughout high school and university, to drop everything and travel for a year? That sort of assumption is an easy one to make if all candidates who have ever applied to graduate roles have come from essentially the same financial and educational background. Besides, a firm that defines life experience in such a narrow way risks missing out on candidates who have worked two jobs, relying on nothing but their own initiative and perseverance, and have still managed to put themselves through university. Allens, for example, makes exceptions for candidates like this, specifically commending those who have been able to balance education with work or extra-curricular activities.

For Melanie, and others in her situation, getting in the door is the difficult part. Melanie was lucky in that she applied to Allens through one of its inclusion programs, and proved her ability during her clerkship. Allens looked past her unusual route to making an application, and even her GPA, where many other firms would not have. They ended up with a talented lawyer whose background has no effect on her performance – if anything, it has made her the lawyer she is.

It is in cases like this that contextual recruitment is invaluable. Talented candidates with huge amounts of potential shouldn’t miss out because they haven’t been able to build social and cultural capital due to financial or personal disadvantage. The use of a system like Rare’s ensures consistency in how disadvantage is defined, and in how and when it is taken into account to allow recruiters to make informed, data-driven decisions. Taking each candidate in context means recruiters see them through another lens, from all angles. They see what might otherwise be missed – potential, not polish. It should be the former, rather than the latter, that dazzles a recruiter.

CONCLUSION

Examples of stark social divides within Australia are not hard to find – they exist between Indigenous and non-Indigenous people, between those living in rural areas and those living in major cities, between students in public schools and students in private schools, between refugees and others, between those who have money and those who don't. Identifying talent in the midst of these divides, which zigzag across the fabric of society, is no easy task.

Social equality and fair access to education drive *social mobility* – the capacity of a motivated and hard-working individual to move up the ladder, to achieve their full potential, no matter what their background. The trend of increasing inequality in Australia, both in wealth and in education, is troubling. This is not only because it indicates poorer social mobility. It is because inequality, in all its forms, affects everyone, from the wealthiest to the poorest, and is bad not only for the economy, but for all aspects of society.

In graduate recruitment, the problem of talented and disadvantaged candidates being missed cannot be solved instantly, or at a single point in the process. If inequalities exist as far back as primary school, and their impact can be traced back to birth, then of course they must be addressed at high school, at college, and at university. Nevertheless, employers play a role in promoting social mobility for those who have made it to the point of application and are still likely to be overlooked.

The responsibility of a recruiter when making the decision to accept or reject cannot be underestimated. It is a decision that can literally change a life. To ensure that this decision is fully informed, recruiters should have access to all relevant data points, and should take into account context. Ultimately, this is not just about corporate social responsibility. If employers are able to broaden their talent pools by identifying brilliant candidates who would otherwise be missed, the business case for contextual recruitment is clear. The aim remains to hire the most talented candidate. What is changing is the way we identify talent that has been veiled by disadvantage.

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