



# CONTEXTUAL RECRUITMENT IN AUSTRALIA

ONE YEAR ON

rare

DIVERSITY  
RECRUITMENT  
EXCELLENCE

HENRY DAVIS YORK



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# INTRODUCTION

Since the launch of Rare's last research report *Contextual Recruitment in Australia* in June 2016, the use of contextual data has become widespread. In the United Kingdom, contextualising candidate achievement is recommended by the All-Party Parliamentary Group on Social Mobility, the Social Mobility Commission and The Law Society.

A number of early adopters are now using contextual recruitment in Australia and a U.S. system is being developed. Contextual recruitment is a global trend.

Contextualisation is a response to two things: widening inequality across the Western world, and the 'war for talent', where recruiters are fighting over the very best candidates. 'We're looking for the gems and they're not all in the jeweller's shop' is the phrase used by one senior London lawyer. Contextualisation is the tool that helps firms discover these gems.

This brief report looks at applications processed by the early adopters of the Contextual Recruitment System (CRS) in Australia and provides detailed analysis on who is applying to top firms.

# THE FACTS

**THE GINI COEFFICIENT  
HAS INCREASED BY**

**34%**

**BETWEEN 2014 AND 2016**

The Gini coefficient is a measure of income inequality in a society. 0 represents complete equality and 1 represents complete inequality. Between 2014 and 2016, the Gini coefficient in Australia increased by 34% from 0.334 to 0.446.

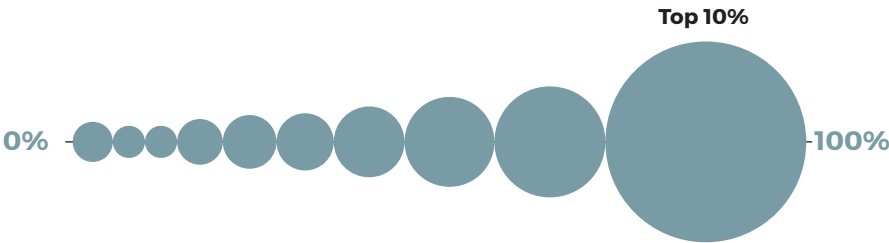
**THE INCOME GROWTH OF THE TOP  
QUINTILE OF EARNERS WAS**

**5.4X**

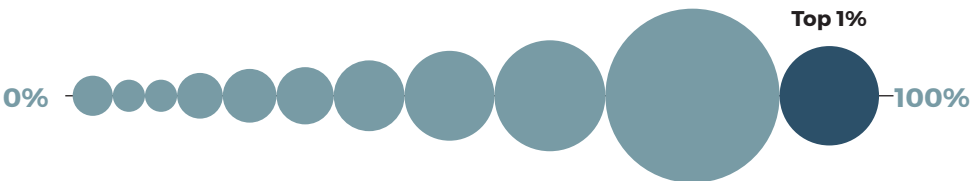
**OF THE MEDIAN QUINTILE OF  
EARNERS BETWEEN 2012 AND 2014**

The highest quintile of earners had an income growth of 7% between 2012 and 2014. The income of those in the median quintile grew by just 1.3% in comparison. Inequality does not only exist between the rich and poor, but between the rich and the middle class.

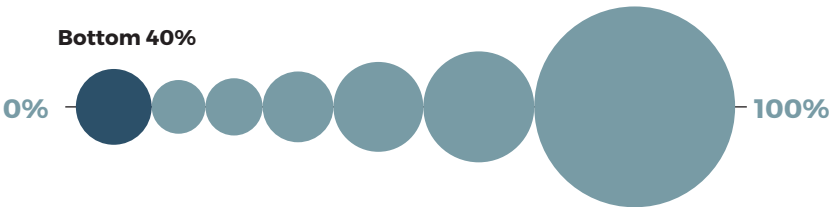
DISTRIBUTION OF APPLICATIONS BY SCHOOL DECILE



52% of applications through the CRS came from the top 10% of schools.



13% of applications came from the top 1% alone.



The bottom 40% of schools produced 7% of applications - almost 50% fewer than those applying from the top 1%.

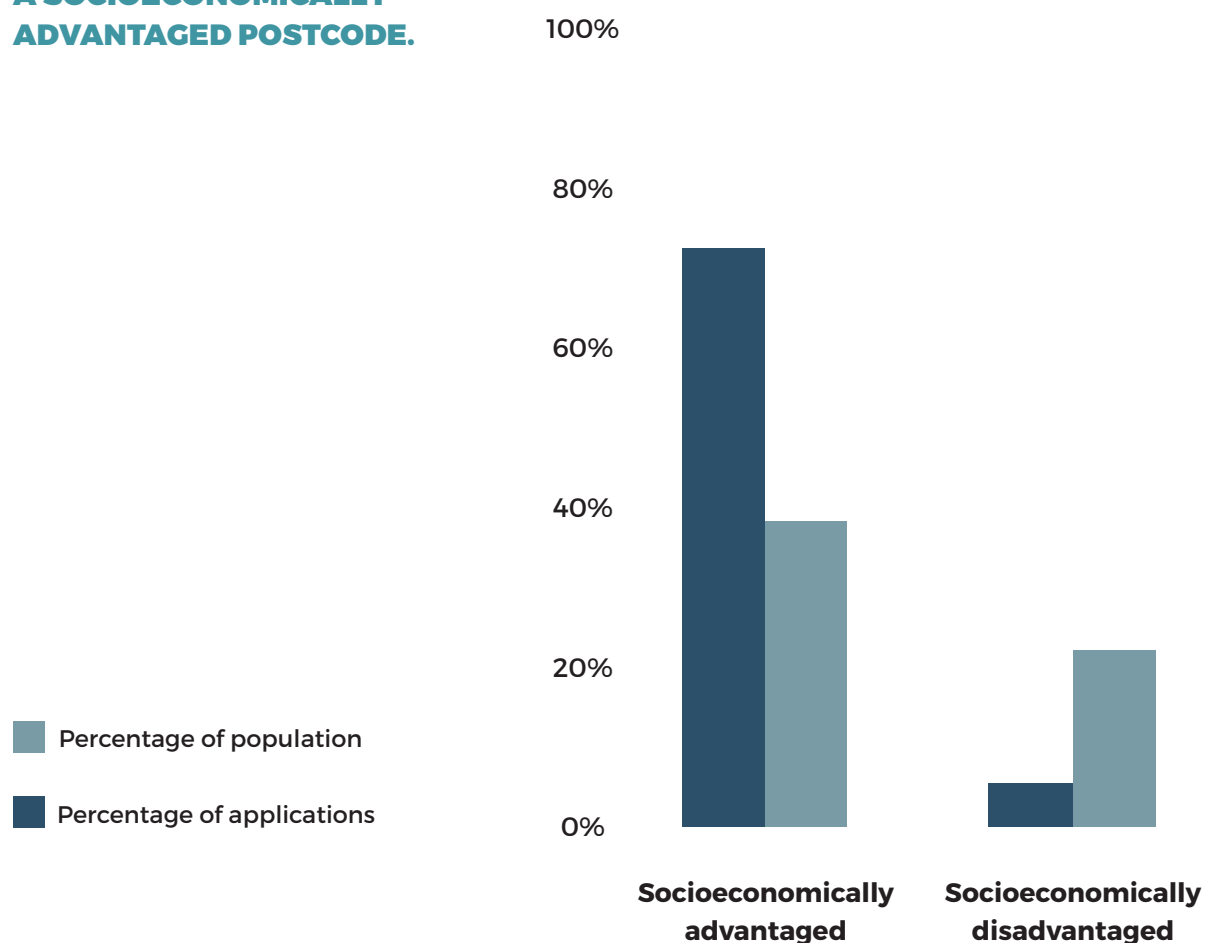
\* Based on 1,650 applications made through the CRS with percentile data.

# PEOPLE WE'RE MISSING

APPLICATIONS ARE

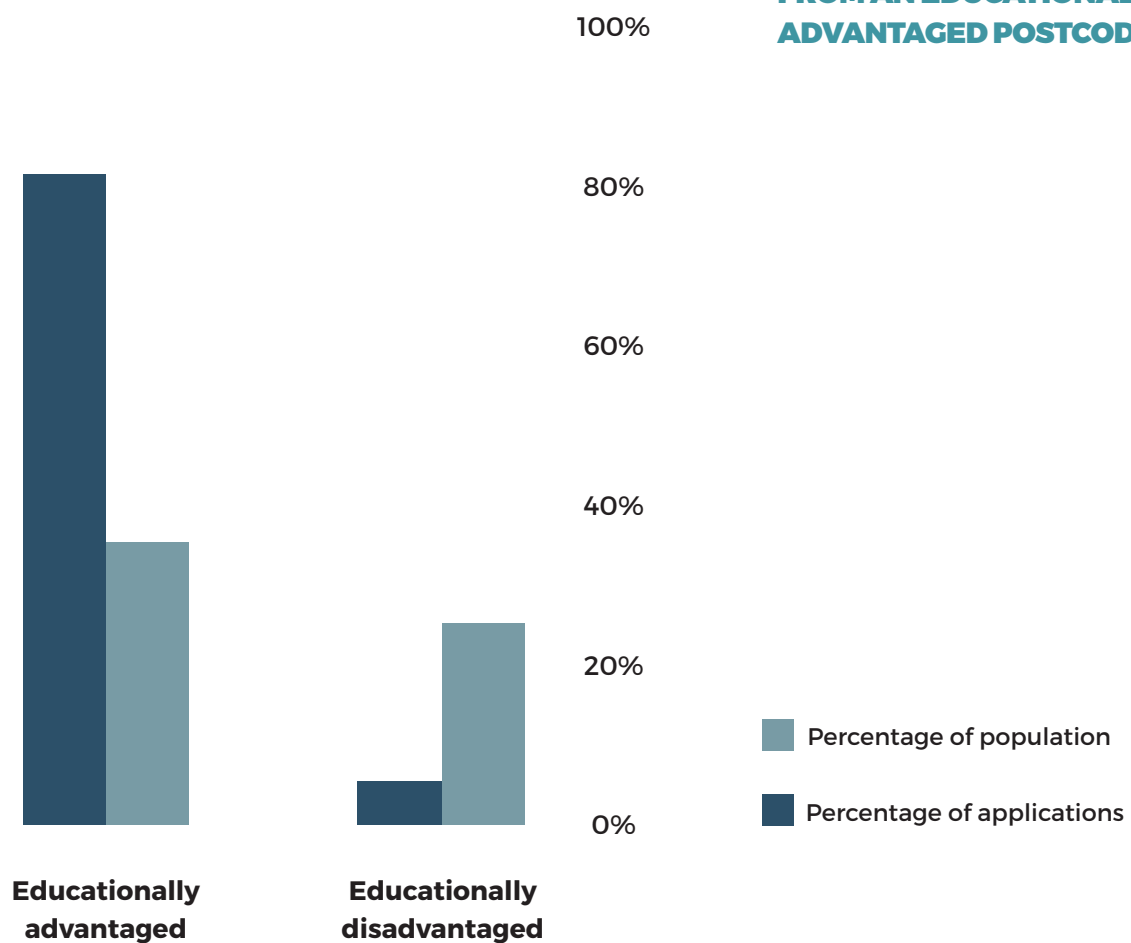
# 10X

MORE LIKELY TO COME FROM  
A SOCIOECONOMICALLY  
ADVANTAGED POSTCODE.



\* The CRS classifies any postcodes in the bottom third of the IRSAD index to be socioeconomically disadvantaged.  
\* Socioeconomic advantage is defined as a postcode in the top third of the IRSAD index.

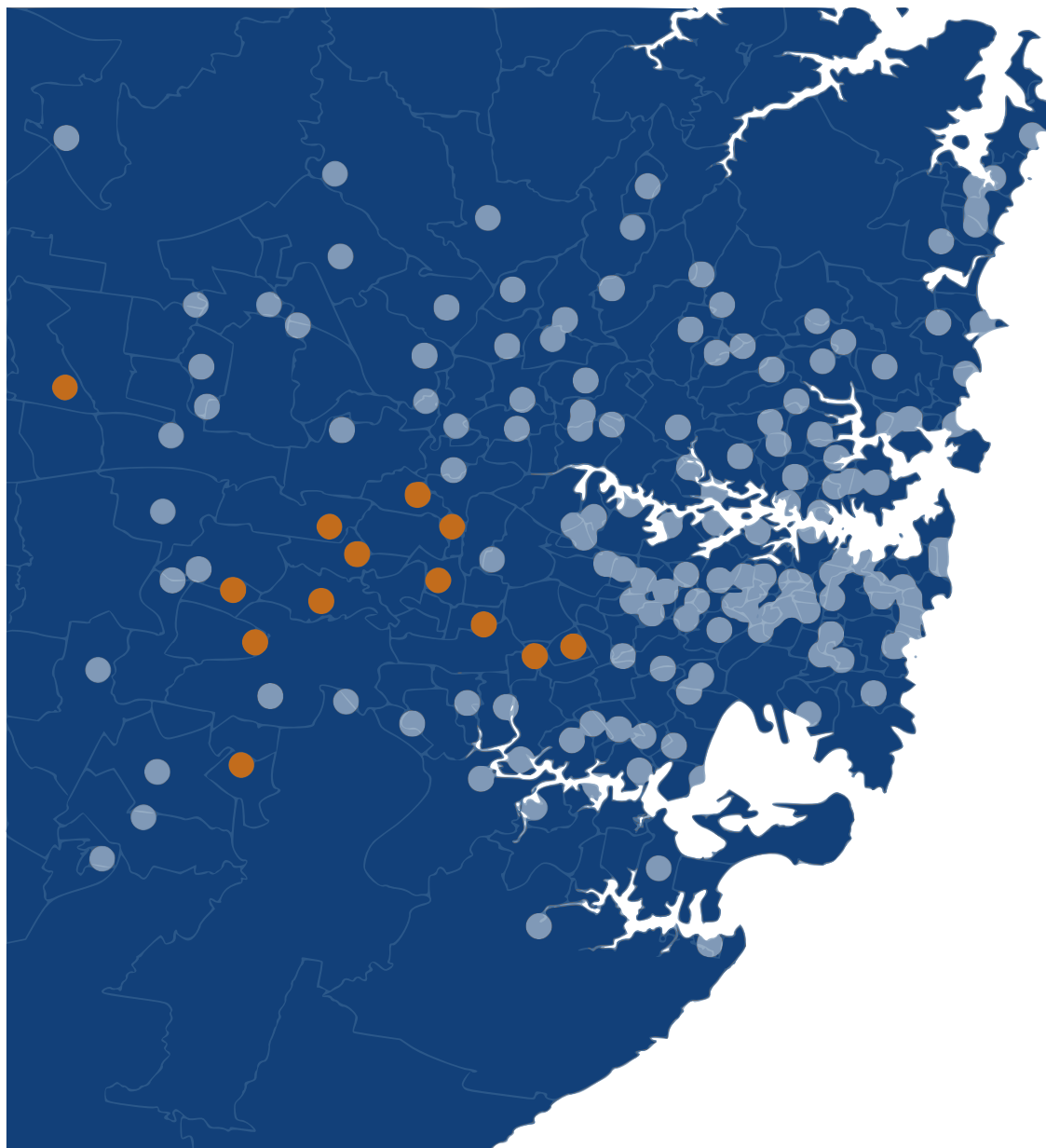
APPLICATIONS ARE  
**12X**  
MORE LIKELY TO COME  
FROM AN EDUCATIONALLY  
ADVANTAGED POSTCODE.



- \* The CRS classifies any postcodes in the bottom third of the IEO index to be educationally disadvantaged.
- \* Educational advantage is defined as a postcode in the top third of the IEO index.
- \* Source: Australian Bureau of Statistics, census data 2011. Percentages were calculated using the usual resident population of postal area codes.

# WHERE DO APPLICATIONS COME FROM?

SYDNEY

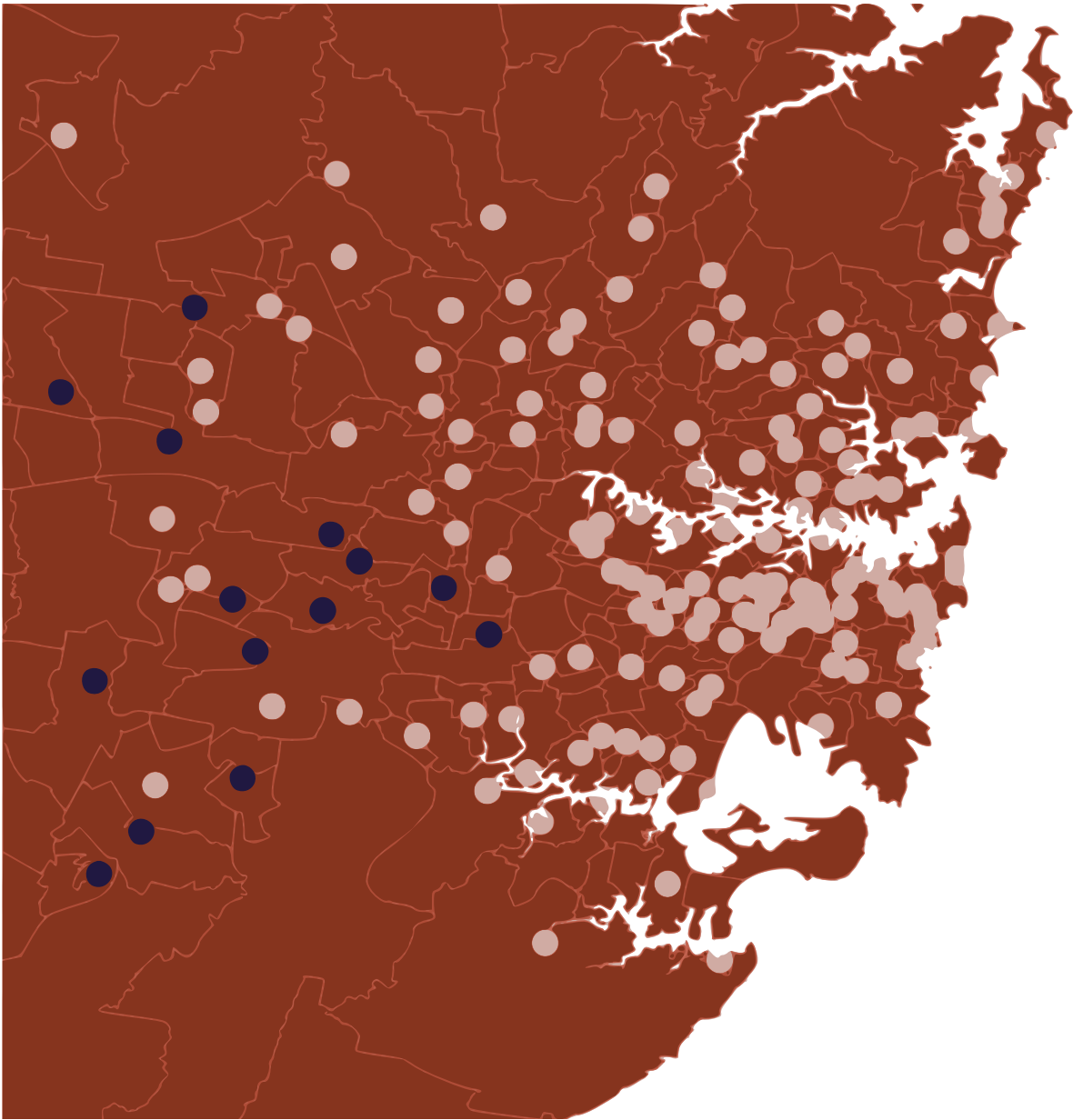




In major cities, a very small number of applications come from the socioeconomically and educationally disadvantaged outer suburbs.

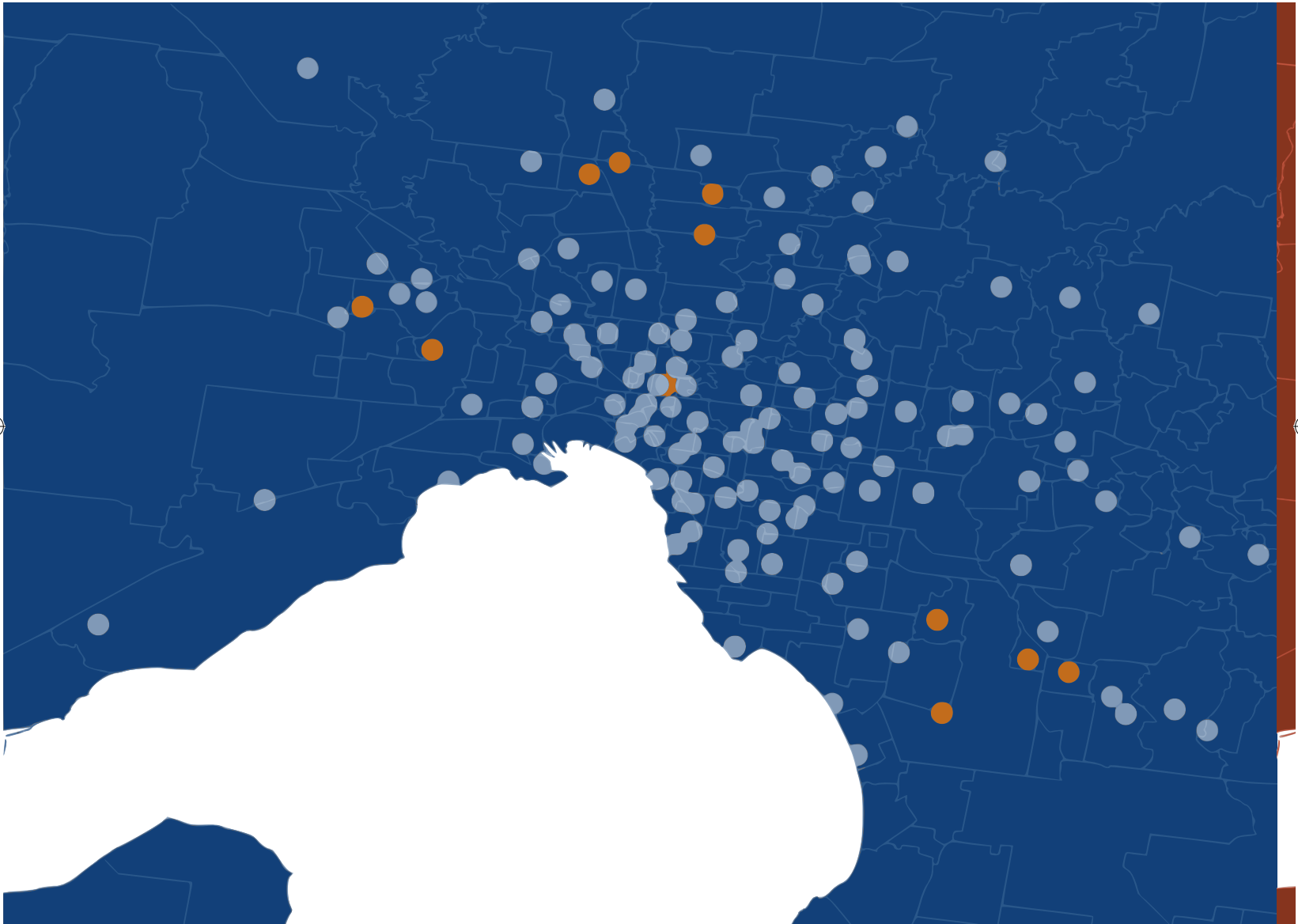
Below: Each dot represents an application.

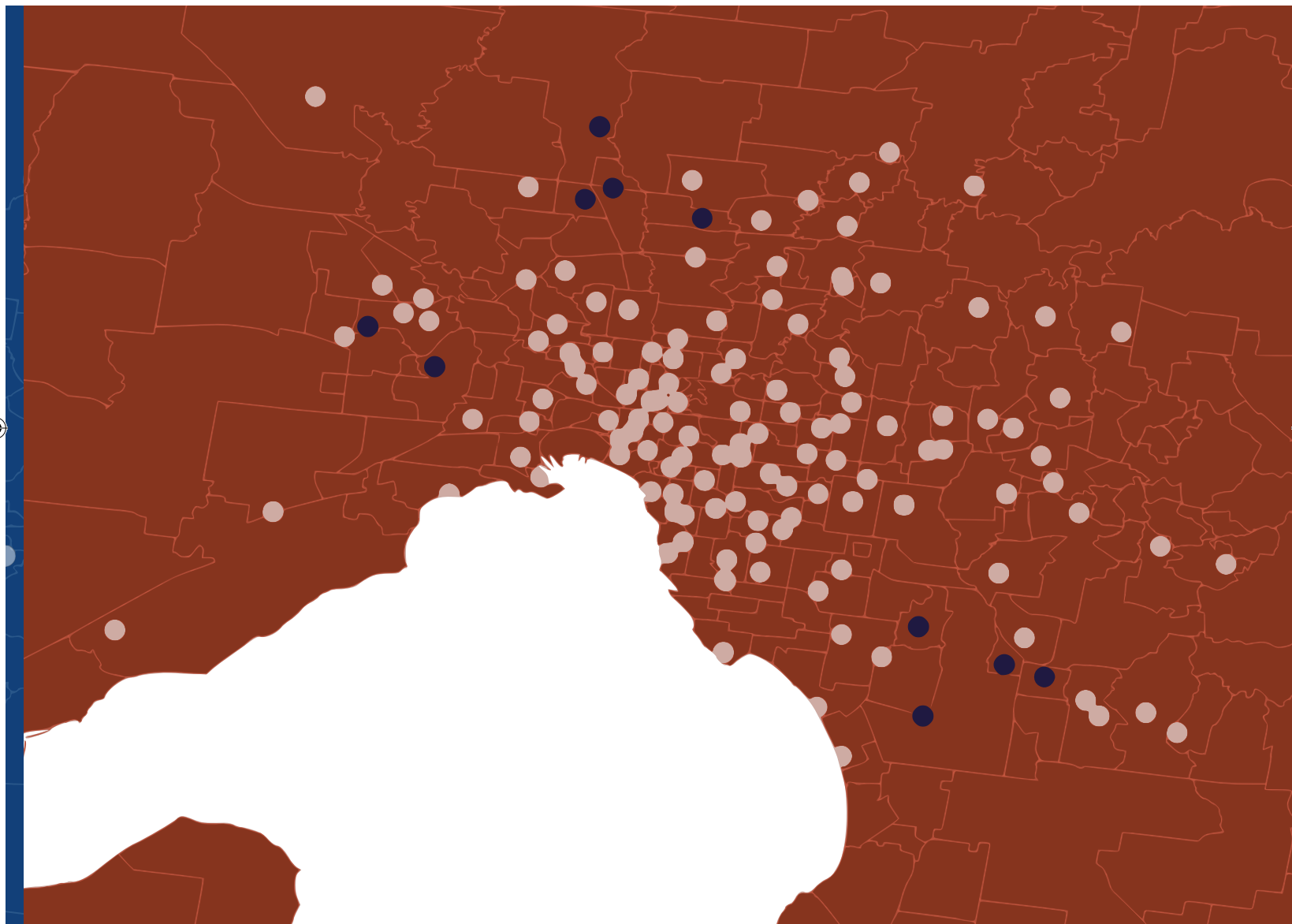
- an application from a socioeconomically disadvantaged background
- an application from an educationally disadvantaged background



\* Based on 1,961 applications made through the CRS with postcode data.

## MELBOURNE

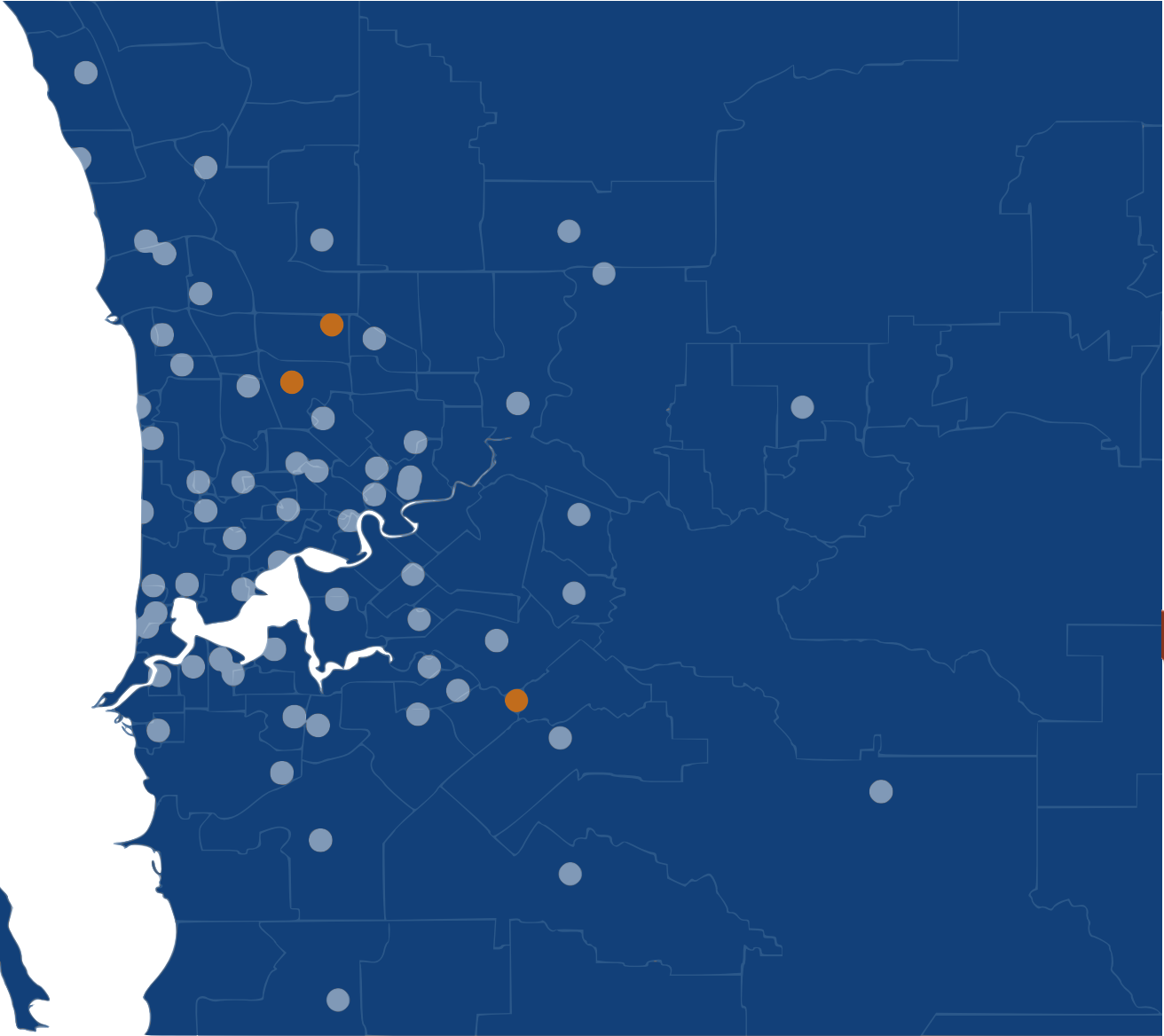


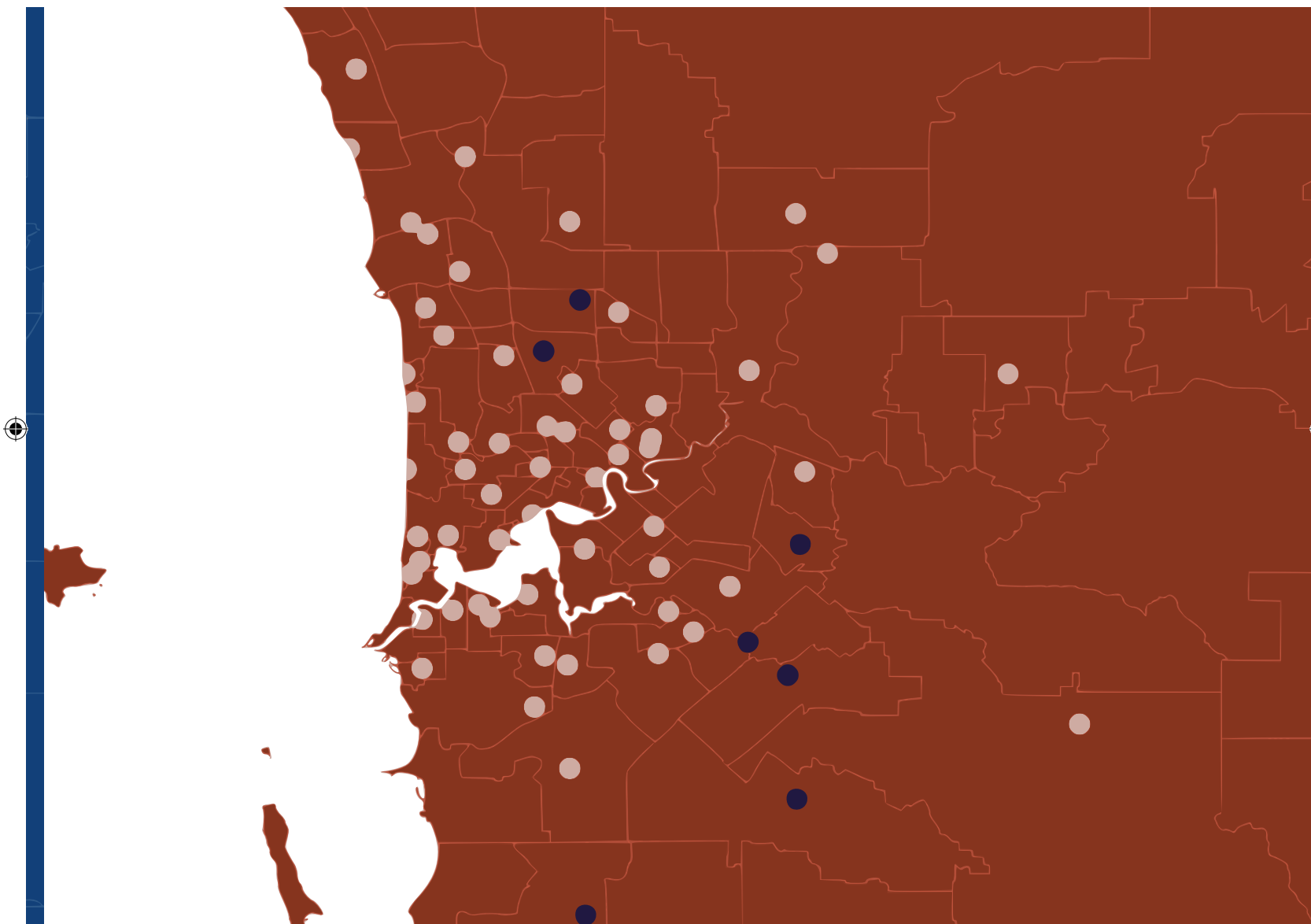


\* Based on 1,961 applications made through the CRS with postcode data.



PERTH





\* Based on 1,961 applications made through the CRS with postcode data.

# THE SYSTEM



## Applicant 1

VCE grade average: 37  
School in 20th percentile  
Has an average grade **37% higher**  
than the school average



## Applicant 2

VCE grade average: 37  
School in 100th percentile  
Has an average grade **2% lower**  
than the school average

The CRS allows recruiters to identify determined, resilient outperformers. The two applicants above applied to top law firms through the CRS. At first glance, they are equally good candidates with strong grades in the VCE.

However, using contextual data we can see that applicant 1 is an outperformer as well as a high achiever. Applicant 1 attended a school in the bottom 20% and outperformed the average grade at their school by 37%.

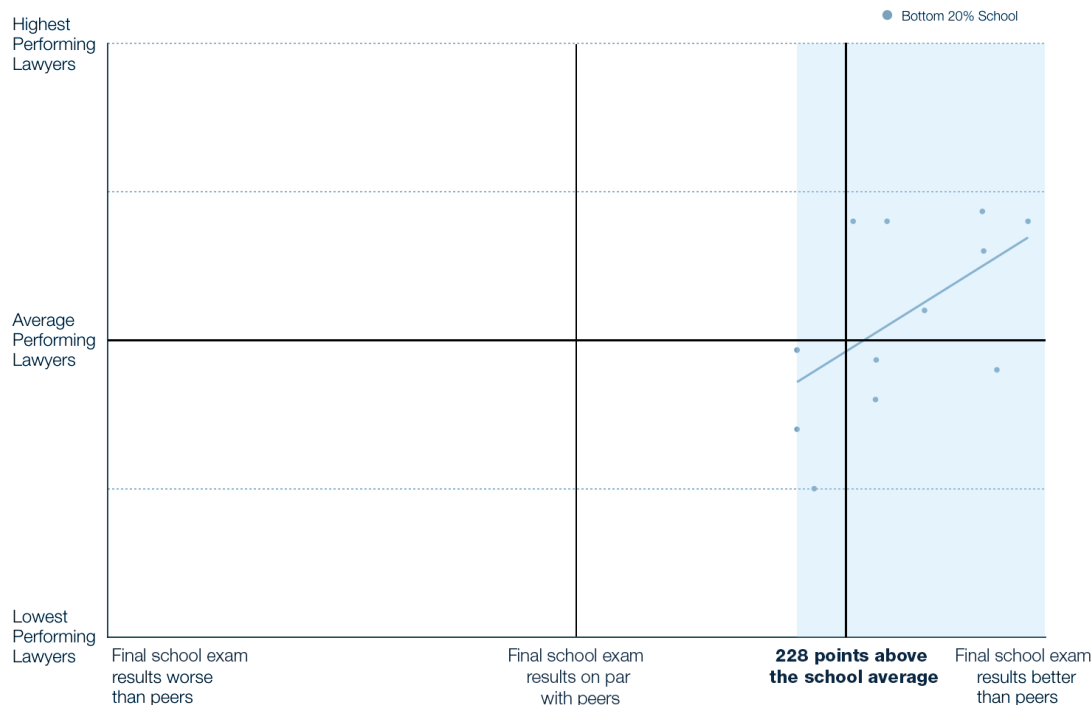
# THE EVIDENCE

## Why does outperformance matter?

A study by JKU & Associates looked at the link between outperformance at school and the performance of lawyers at a Magic Circle law firm in London. The study found that lawyers who came from the bottom 20% of schools, and who outperformed their peers at school, were more likely to perform better than average as a lawyer. The higher the level of outperformance, the more likely they were to outperform as a lawyer. As Jason Ku states in the report:

**“This overall low rate [of high-potential candidates at interview] is likely the result of a larger scale systemic issue, which Contextual Recruitment can help address over time.”**

The CRS helps recruiters identify these candidates with the most potential. These are the candidates who will continue to outperform, even in the workplace. Ultimately, contextual recruitment adds value to a firm.



\* Graph adapted from Jason Ku article, November 2016.

<https://www.linkedin.com/pulse/do-privileged-children-who-attended-best-schools-become-jason-ku>

## CASE STUDY – SAM

Sam\* is currently on a clerkship programme at Henry Davis York in Sydney, and was identified as an outperformer through the Contextual Recruitment System. As well as outperforming his peers, Sam overcame financial disadvantage, holding down various jobs while at university, to gain a place at a prestigious law firm. Looking further into Sam's background, it is clear that Sam is an exceptional candidate.

Sam grew up in a socioeconomically disadvantaged suburb in the south west of Sydney. Sam's high school in a neighbouring suburb was not an academically stimulating environment. There was no encouragement to excel, the lessons could often be disrupted, and most teachers did little more than the bare minimum. Sam described the school as "a daycare centre for older kids". He said the teachers were decent but not positive. There was little in the way of helpful careers advice, and no extra support for those who wanted to succeed. Extracurricular activities, which are critical for applications to top universities and firms, were also lacking. Sam said that his school was in an area where he was reluctant to walk alone, particularly at night. The majority of his peers' parents were not in professional careers, with a large proportion being blue collar workers.

The absence of external motivation from school meant that Sam's drive to succeed came entirely from within, whilst looking to his parents for inspiration. Sam's parents arrived in Australia, having left their home country as a result of civil war. His father gained a place at an Australian university and went on to become an accountant. His mother had to abandon her university studies.

Sam described himself as an average student until half way through Year 11 when he realised the importance study would have on his future. From then on, he was in the top bracket in all his subjects, although he was careful not to broadcast this to his peers. Seeing his parents' determination, and growing up in a financially strained environment, encouraged Sam to push himself harder at school. During study leave, he revised morning until night every day. He borrowed extra textbooks to supplement his studies and "to see the subjects in a different light" from the way they were taught. This determination paid off, with Sam outperforming his peers at school and achieving top band HSC results in Advanced English, General Mathematics, Legal Studies, Business Studies, Religious Studies and Economics. The majority of students in his year did not achieve similar top band results.



Sam did not find the school careers service helpful, saying that the careers counsellor was mainly there to advise students who had no direction for life after high school. After year 12, only a minority of students in Sam's year went on to university, with some pursuing TAFE courses and others going on to work in retail. Of the students who did go to university, most did not complete their university course. Sam completing university was unusual in the context of his school.

Sam said his ATAR was too low to read law at a competitive university so he started university reading accounting and finance and then transferred to law. He immediately loved the intellectual challenge and thought required by his legal studies.

Whilst at university, Sam's financial situation meant he had to work to support himself. He did a variety of jobs, and sometimes worked up to a few days a week during semester and fitted in his studies around that. A friend suggested that they volunteer at a small law firm to gain experience for their CVs. Sam volunteered, on an unpaid basis, at two law firms. One of these periods was during semester, while he was also studying and working part-time.

Sam's initial plan was to follow his father into an accounting career. Here, he was rejected automatically at the screening process due to his lack of paid work experience. After deciding a career in law would be more interesting, Sam showed initiative and spoke to people with experience to find out what made a good application. He knew he would again be competing with those who had more experience and were traditionally 'stronger' candidates.

After making applications to 10 law firms, Sam was called to his first professional interview for a clerkship at Henry Davis York. He described the interview process as daunting at first but said that the Henry Davis York interviewers put him at ease. He is enjoying the variety and responsibility of his clerkship programme.

Sam is unusual, but not unique. The adoption of contextual recruitment allows employers to find more people like him – outperformers from disadvantaged backgrounds. In the UK, employers adopting contextual recruitment have found that they are hiring 50% more such people.

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

# WHAT OUR CLIENTS SAY

## ALLENS – FOUNDING PARTNER

Allens was proud to be the first Australian business to partner with Rare's Contextual Recruitment System in Australia in 2016.

With one of the largest graduate intakes of any law firm in the Australian market, we recognise the importance of interviewing a cross-section of candidates with diverse educational, cultural and socio-economic backgrounds to build our talent pipeline to meet future business needs.

Understanding an individual in the context of their background and life experiences helps us make more informed recruitment decisions. We were excited by the diversity of candidates that applied last year and are looking forward to this year's process.

**Miriam Stiel | Partner | Allens**

## HENRY DAVIS YORK

Henry Davis York's summer clerk program is the most important recruitment activity we undertake annually. The program ensures we have the best talent to deliver outstanding legal services and to provide an exciting, diverse, innovative workplace and workforce. Partnering with Rare has assisted us to identify high potential candidates from a greater, otherwise "hidden" talent pool.

We are excited to be one of the first Australian law firms to implement Rare's contextual recruitment system. We used Rare last year to complement our selection process - it changed the lens through which we reviewed our 500-odd summer clerk applications and gave us additional information to be able to assess them. This year, we plan to use the Rare data to target students who have significantly outperformed their peers during their final year at school. We are confident that using Rare will give us access to the best talent regardless of background.

**Deborah Stonley | Director of People & Development | Henry Davis York**

## KING & WOOD MALLESONS

Diversity of thought, perspective, and experience are all key to success at King & Wood Mallesons. We know that can only be made possible with systems and practices which actively promote that inclusion and equality. Our collaboration with Rare and their Contextual Recruitment System has enhanced our selection process by providing us with a more holistic candidate profile. Taking into account factors outside the traditional 'recruitment criteria' has made for a more expansive selection exercise and started important conversations. It has resulted in more conscious recruitment decisions, driven by diversity and a truly inclusive approach, which we know are critical to our success as a business.

**Sam Garner | Graduate Resourcing Manager (Projects) | King & Wood Mallesons**

To find out more contact Yasmina Kone  
at [yasmina.kone@rarerecruitment.co.uk](mailto:yasmina.kone@rarerecruitment.co.uk) or on +44 (0) 7939 822 829

## ACKNOWLEDGMENTS

We would like to thank our sponsors Henry Davis York.

Thank you, also, to our CRS pioneer clients Allens, Henry Davis York and King & Wood Malletsons.



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