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Inaugural Lecture

TALENT MANAGEMENT AND THE TALENT OF MANAGEMENT

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The topic that I have chosen to talk about, managing talent, is one that is exercising the minds of organizations, large and small, domestic and global, because it connects very strongly to their concerns, if they are privately owned about being competitive or, if they are public bodies, about providing pubic value.

Since first studying management back in the late 1970s I have always been intrigued why the annual reports of companies present their financial and accounting position in excruciating details but say virtually nothing about their employees. We are seeing a bit of a shift in this balance and talent management is being bolstered by the current emphasis on the notion of human capital which can be seen as the sum of know-how and competences in an organization. Human capital complements structural capital which is the health (or otherwise) of the organizational culture, structure and management processes; and relational capital which refers to the health of relations with customers, such as loyalty, brand values and distribution channels[1]. There are of course big conceptual and methodological challenges to human capital measurement that provide practical obstacles for human resource managers[2]. But at least some organizations are beginning to think about it.

In this lecture I will look at what managing talent typically involves and then look at some of the barriers that arise to confront the operation of full and fair talent programmes and finish with some thoughts about the implications for universities.

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[1] Namasivayam, K & Denizci, B. (2006) Human capital in service organizations: identifying value drivers, *Journal of Intellectual Capital*, 7(3) 381-393. Nazari, J.A. & Herremans, I.M. (2007) Extended VAIC Model: Measuring Intellectual Capital Components, *Journal of Intellectual Capital*, 8(1) 595-609..

[2] eg see Boudreau, J.W. and Ramstad, P.M. (2007) 'Beyond HR: The New Science of Human Capital', Boston: Harvard Business School Press.

The origins of contemporary talent management lie in general human resource management which assumes that the way people are managed influences their commitment, their engagement and so their performance at work. There has been much interest in understanding the features of high performance workplaces and the management practices that go with them[3]. A consistent finding is that in the high performance workplace, identifying, developing and rewarding talented individuals who make distinctive contributions to organizational performance are important. However, it is also the case that talent strategies do exist in workplaces that would struggle to be seen as high performance relative to others in the same sector.

If you read about talent management you could be forgiven for thinking that it is a very recent phenomenon, something that wasn't around until the late 1990s, but this is rather misleading. So let us first look at the idea of talent itself and its origins before engaging with more modern viewpoints. We can look back as far as the New Testament to the parable of the talents – the upshot being that the servant who made the most use of the gold and silver (measured in talents) entrusted to him was rewarded the most and the servant that did nothing but keep his share of the talents safe in a hole in the ground while his master was away was admonished. In this story lies the origin of the term 'talent' to mean the display of skills, aptitudes and abilities.

The use of talent in a business context goes back at least to Adam Smith who noted[4] that a man prospers as he is able to "cultivate and bring to perfection whatever talent or genius he may posses for that particular species of business". He observed that differences in talents were not a cause of the division of labour but an effect of it. The difference, he said, "between a philosopher and a common street porter seems to arise not so much from nature as from habit, custom and education". Until the age of around 6 to 8 years the philosopher and porter were "very much alike" and it is when they encounter work in different occupations that Smith felt the difference in their talents "widens by degrees".

I think what Smith was saying over 200 years ago is that it is the nature of a person's work that brings out their talent, or not. People who are average in one job could be very good in another. If a person is lucky enough to find themselves in a job that,

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[3] eg see Combs, J., Liu, Y., Hall, A. and Ketchen, D. (2006) How much do high-performance work practices matter? A meta-analysis of their effects on organizational performance, *Personnel Psychology*, 59, 501-528.

[4] Smith, A. (1852) 'An Inquiry into the Nature and Causes of the Wealth of Nations', London: T. Nelson & Sons.

somehow fires them up then there is the best chance that their talents will emerge. If they are not so lucky and find themselves in a job the design of which suppresses their instincts and interests then their work-related talents will be subdued.

It seems to me most employees are not lucky enough to be in jobs that really turn them on. This is perhaps an inevitable consequence of the human need, at least for most of us, to find a job and the need for organizations to design jobs as they think best – the chances of getting a very good match are inevitably very small. However, this points to the importance of looking closely at how well a person will fit into an organization and a job when they are selected in order to underpin talent management and organizations should think about these aspects much more.

In the late 19th century, the American political scientist Arthur Hadley[5] observed that, "the man who possessed organizing talent or who could foresee the contingencies of a business and so prevent waste of capital and labour would be successful". Hadley saw talent as underpinning a natural selection process that prevented incompetent employees from "maintaining themselves for long at the head of large enterprises". This replacement process of course is not now just confined to heads of organizations but to most levels of hierarchy as competitive conditions have intensified.

These early writers used what to us is seen as sexist language in which only men were seen as leaders yet over 100 years ago, remarking on the place of women in higher education, an American college professor[6] felt that, "to continue to exclude half of humanity from the cultivation and exercise of native talent would appear to involve economic wastes as well as an a-priori assumption of the inferiority of women". Society has of course responded to this and many other calls like it yet difficulties still confront women in the corporate world and I return to that a little later.

The role of executive talent in the industrial renewal that took place in post-war America was emphasised in 1945 in a call[7] for businesses to outgrow "the notion that ability is to be found, not developed". What this asked for was for organizations to go beyond the 'great man' approach to organizational leadership and accept the fact

[5] Hadley, A.T. (1888) Some Difficulties of Public Business Management, *Political Science Quarterly*, 3(4), 572-591, (p576)
[6] Wells, D.C. (1909) Some Questions Concerning the Higher Education of Women, The *American Journal of Sociology*, 14(6) 734-739. (p736).
[7] Calkins, 1945, p7.

that with the right sort of development people can show the sorts of abilities that enterprises need. This is now widely accepted as evidenced by high levels of organizational spending on management development either directly or through consultants.

Personnel management, which flourished in the post-war years, and its successor, human resource management, led to structured ways of managing people in many organizations, often based on good occupational psychology and professional practices. But what I think happened was that, even though many organizations adopted good human resource management strategies which used quite sophisticated ways of selecting, appraising, developing and rewarding people, they were designed to cater for the workforce overall and in doing so the minority of people who were the high performers and the high potentials were in danger of falling under the radar. Systems that focussed on a small proportion of employees were unusual.

As competition intensified, organizations sharpened their focus on the impact made by a small proportion of their employees and an early marker was the publication in 1997 of a book called '*The War for Talent'*. The idea of a <u>war</u> for talent captured the imagination of corporate America at the time and since. Suddenly there was a new way of talking about employees and the contributions they made. The vocabulary of human resource management and the boardroom was supplemented by talk of 'superkeepers', 'eagles', A-listers', 'B-listers' and 'stars'. This led to a rethink of the ways in which a slice of a workforce would be treated in terms of managing talent and, in some organizations, a two-tier experience was created; one for the 'talented' and one for the rest.

There is no shortage of books offering advice on how to set-up talent programmes. Yet they can highly formulaic and uncritical and such normative approaches overlook some big issues such as class, gender, and organizational power plays as well as the influences of different national cultures on notions of talent and how it should be managed. Furthermore, while any reasonably well developed human resource management systems involve structured selection, development, appraisal and reward processes, the question remains, to what extent are they effective in relation to managing talent? In talent management, the devil lies in the detail of the approaches used and how robust and uncompromising they are. For instance, many organizations use performance appraisal but of these what proportion employ an

approach that genuinely and fairly identifies exceptional talent and does something about it when it is found? Weak appraisal schemes lead to organizations having no clue who their talent is, where it is or where they need it the most.

So we are drawn to a big question - how do organizations identify talent in the first place?

Defining talent

A general definition of talent across a range of contexts is that talent can be seen as the "superior mastery of systematically developed abilities or skills" being confined to the top 10% in a field of activity[8].

In the context of gifted children, talent has been seen as;

- having a partly innate and genetically transmitted component,
- something that is confined to a minority and
- something that is domain-specific such as a talent displayed in mathematics or music.

The genetic component here is referred to as 'the talent account' but the evidence for a genetic underpinning is not that strong. Far more influential determinants of excellence are differences in early experiences, opportunities, training and practice[9]. If there is anything in this theory for organizations then it suggests that;

- employees showing exceptional talent will make-up only a small proportion of the workforce,
- that an individual's talents are quite narrowly bounded,
- that talented people need ample opportunities to hone and display their talents, and,
- that social capital accumulated in early life will be influential.

In profit-seeking organizations, talent management is usually geared around finding, attracting, deploying and keeping employees who add distinctive value to the organization. It has an elitist edge to it; focussing on only a few per cent of a workforce who are deemed to have the 'X-Factor'.

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[8] Gagne, F. (2000) Understanding the Complex Choreography of Talent Development Through DMGT-Based Analysis, in K.A. Heller et al (eds), *International Handbook of Giftedness and Talent*, 2nd Ed., Elsevier: Oxford. (p67).

[9] Howe, M.J., Davidson, J.W. & Sloboda, J.A. (1998) Innate Talents: Reality or Myth, *Behavioural and Brain Sciences*, 21, 399-442.

Keeping our focus on the more elitist approaches to talent, the way talent is defined in organizations is fluid as it is very context-dependent although there are some commonalities in the competencies that are commonly looked for. In the typical profit-seeking organization, talent is usually seen as the display of distinctive attributes and behaviour such as:

- well developed business acumen, that is knowing how the 'business' works
- understanding the strategic priorities of the organization
- a hunger for action and change
- creative problem solving coupled with bold decision making and a willingness to take risks
- mental toughness combined with the ability to earn the trust of colleagues
- potential for substantial promotions to higher leadership positions; not just to the next level but two or three levels up.

Conceptualisations of talent though do continue to evolve. They change with the ways that managerial elites view how their organizations must compete, they change with the demand and supply of skills in labour markets and they change to keep up with political priorities – recall how business thinking changed in the Thatcher years becoming more managerial and more individualistic. There is a Darwinistic take on this - the most talented are those that adapt most successfully to their changing organizational environments[10].

In the same way that definitions of talent vary between organizations then so does the design of programmes used by organizations to harness it. Nevertheless there are some common factors involved that focus on individual development and self-awareness. Talent programmes typically involve:

- Robust selection against established criteria.
- A formal development programme running for a year or two, such as being part of a team that works on challenging yet specific projects, and secondments to see how other parts of the organization operate.

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[10] Brown, P. and Hesketh, A. (2004) 'The Mismanagement of Talent', Oxford University Press, p78.

- Psychometric assessment such as 360° appraisal to enhance understanding of oneself.
- Line manager involvement
- Access to executive mentoring relationships and other executive thinking
- Confidential counselling and support as might be needed in high-stretch jobs that inevitably risk impacting on work-life balance.

While many organizations are comfortable with this elitist ethos and create their talent pool, there is a sizeable proportion that is reluctant to run with the idea that organizational performance is disproportionately influenced by a small number of people.

Inclusive or exclusive?

Borrowing from Pareto's 80/20 rule, interestingly also known as the 'law of the vital few', elitist talent management fits with the idea that about 80% of an organization's value added derives from about 20% of its employees. This proposition is understandably uncomfortable for some to accept as it can be seen as marginalizing the efforts of the majority of a workforce. As a consequence, some organizations would maintain that talent management to them is not about the 'vital few' but that it is more about making sure that all employees can achieve their full potential. Adherents to this outlook take a more inclusive as opposed to an exclusive view of talent.

This raises an interesting question around the extent to which employers have a moral responsibility to their employees and stakeholder theory helps us out a bit here. Employees can be seen as legitimate stakeholders in an organization because they have a risk in continuing to belong to it – a risk of career stagnation and loss of future profits, a risk of reduced employability and, ultimately, a risk of job loss.

If we accept that employees have a risk in working for a particular organization, then it follows that those who benefit from the risk (the organization) should recognise it and return a benefit in kind to the risk taker. This is normally a salary and decent working conditions but how far does responsibility go beyond that? If the organization is a moral actor and if employees have a moral stake, then how far does the organization have a responsibility to provide opportunities to develop people given

the uncertain and, for many employees, insecure labour market? How far should organizations go in providing development opportunities beyond the bounds of self-interest which are set by the skills and competences relevant to the particular job the person has?

I suggest though that, while an inclusive talent philosophy might be the best of all motives, it is very difficult to achieve because standard human resource management practices usually fall a long way short of coming close to achieving this high organizational condition. A recent study of talent management in the Yorkshire and Humber NHS found that an inclusive as opposed to an exclusive strategy was preferred by managers but also found that progress towards achieving such a position was very slow. Indeed, there does seem to be a public/private sector divide regarding talent strategies with the public sector leaning away from practices that explicitly categorise employees. This can be traced to the public sector's traditions of equity and collectivism which temper practices that would differentiate among employees.

There is another difficulty with the inclusive approach. Talent by definition is the display of superior skills and abilities and the common denominator in elitist approaches is achievement far above the average. In organizations it is based on the judgements of others but is often coupled with statistical measures such as consistently exceeding a certain level of appraisal rating in a pretty tough appraisal scheme. To the elitists, an inclusive approach is a non-starter.

As you can see, we have strayed into ethical territory. Talent management fits with a mainstream, highly Americanised, view of human resource management as serving organizational effectiveness in relation to goals set by a top management which cascade down to individual employees and groups.

Organizations impose ways of measuring people, perhaps through client feedback, and the individual contributes to their own assessment in appraisals which has been likened to a form of confession[11]. These processes create a construction of the individual that has meaning for the organization but that meaning may involve the relegation of the individual's distinctive attitudes and behaviour. Unless that individuality fits with some organizational ideal then it is, in effect, lost or at best

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[11] Townley, B. (1993) Foucault, Power/Knowledge and its Relevance for Human Resource Management, *Academy of Management Review*, 18(3) 518-546.

subsumed in the organization. Only when individuality resonates with the organizational ideal is it recognised and praised.

So does elitist talent management really fit with stakeholder theory? Arguably yes, since the organization is doing the best it can to get outputs from the workforce for the overall good of all employees as stakeholders even though in doing so the majority of employees are overlooked for special treatment. But talent management can only pass this utilitarian test if it can be shown that its outcome truly does maximise the beneficial outcomes for those affected by it. We have to ask therefore, do elitist talent programmes maximise outcomes (utility) for people not in the scheme? But this question is impossible to answer as we struggle to know what the full set of outcomes is nor do we know all the interests of others. We can only make judgements 'in the round', summing up what we know to have happened against known interests.

If a talent programme is judged to have produced good leaders who have generated new business and underpinned job security for a majority then the programme could be judged to have passed the utilitarian test. If the programme only produces career benefits to the 'vital few' without clear benefits for a majority then the programme would fail the test.

Having set out how talent can be seen and developed and some ethical questions around of talent management, I now want to turn to bring out some of the difficulties facing organizations that play this particular game.

Some problems

Talent management, in common with other organizational practices is often portrayed as a neutral and normative activity – one that is free of biases where those with the most promise will get the best chances to rise to the top. But does anything stand in the way of this ideal situation? I think there are a few things and the main challenges come from bias and discrimination, although that is not to say these occur intentionally.

At a macro-level, the topic has taken a bit of a bashing. For instance, views of talent management have been clouded by the actions of big corporations such as Enron, who incidentally were one of the early champions of talent searches and who

probably indulged their talent too much. Many financial institutions have been discredited by the financial crisis – were they all too clever in giving too much freedom to their talent without sufficient responsible leadership to control the risks being taken?

Just because someone is smart enough to get into a leadership position doesn't mean that they act for the good. An essay on leadership[12] written 20 years ago drew attention to the flawed types that do very well for themselves. First there is the High Likeability Floater who rises to the top because they are liked by everyone and have no enemies but who avoids all difficult decisions. Second we have the man who resents everything, who battles with everyone at least in their mind and who plots and manoeuvres around his colleagues most of whom are seen as enemies. Lastly there is the Narcissist whose confidence, energy and charm see them pulled up the ladder. They are awful managers because they don't believe they could possibly learn anything from anyone else.

At a micro-level, we know for instance that selection processes are prone to bias; candidates given halos or horns perhaps depending on something they have done in their past. Appraisal can be compromised by raters not really knowing who they are rating, ambitious people using impression management to sway their bosses who will rate them, and legacy effects where a sequence of past poor or high ratings continue to exert their influence into the present.

We know that people train and rehearse to succeed in selection or promotion events, some candidates can 'fake it' by rehearsing the narratives they feel employers want to hear and by practising psychometric tests - the more this happens then the more their high performance will become the norm. So, while employers can adopt the most bias-free procedures that they can, candidates can resort to practices that mask their 'true' individual achievements and potential by manipulating accent, dress, paying for the 'best' education and so on. It is entirely understandable behaviour and will always be so, but there is another ethical aspect to talent selection that lies in the behaviour of some of those who would compete for position.

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[12] The Dark Side of Charisma', in K.E. Clarke and M.B. Clarke (Eds) Measures of Leadership, Center for Creative Leadership, USA. 1990

A Gender divide?

Let's look at some raw facts about women in management. It is plain to see that boardrooms have far more men in them than women. In the UK, women's participation in corporate boards is about 12% similar to levels found in France and Germany[13]. Women take a higher share of top jobs in the public sector in the UK although it is still only around 25% on average[14]. There is not just a personal cost in terms of equality and equal opportunities here, but the suppression of women's talent in the workplace must be costing organizations in terms of creativity and innovation. As well as lower levels of representation at the highest level, a recent Chartered Management Institute survey found that, on average, at all levels of management women are paid less than men except for junior executives.

Leadership potential is a big part of talent searches and the popular picture of leadership itself might be a problem. Although leadership theory continues to evolve, a big part of the historical mindset has been to describe it in masculine terms[15]. It has elevated the values of characteristics such as being tough, competitive, analytical, unemotional and task-oriented – characteristics often thought to be more likely displayed by men.

So, if leadership has been seen as a masculine construct, and since leadership potential is a constant ingredient of talent searches, then talent searches will inevitably favour men. Organizations need to make special efforts to make sure they are not seduced by heavily gendered views of leadership when they are looking for future talent.

Indeed, one can argue that it's not just leadership that is gendered but that whole organizations are gendered because most are dominated by men, although not all of them. One outcome of this is that microlinguistic practices (the way we talk) do influence our success - because they influence how we are perceived - and the context of where we talk influences a person's perceived fit in that context and hence their perceived talent. Research does show that women use different speech practices to men and in leadership situations it is more likely to adjust to reflect and

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[13] 'Boardwomen Monitor 2008', European Professional Women's Network.
[14] 'Sex and Power 2011', Equality and Human Rights Commission
[15] Billing, Y.D. and Alvesson, M. (2000) Questioning the Notion of Feminine Leadership: A Critical Perspective on the Gender Labelling of Leadership, Gender, *Work & Organization*, 7(3), 144-.

accommodate the concerns of others much more than men do[16]. While this might in the past have been a limitation, the more our understanding of good leadership moves away from transformational 'hero' figures this natural discourse may become regarded as a feature of 'good' leadership before very long.

Another problem is that talent is usually looked for in a context of full-time, permanent jobs and long hours. Indeed, long hours can be a proxy measurement for the energy and drive which usually appear in organizational definitions of talent. Since a lot of part time jobs are held by women, this seems another barrier to talent recognition. The Equality and Human Rights Commission recently concluded that structural and attitudinal barriers need to be dismantled to accelerate movement towards greater numerical equality of women in positions of power and influence in the UK. If this is to happen then there is a challenge to traditional thinking that sees talent only through a mindset of full-time jobs and long hours.

As if these obstacles are not enough, for both sexes there is the problem of 'lookism'. As Aristotle used to say, beauty is a much better introduction than a letter! Basically, in some occupations there are returns to beauty. Although across most jobs the effects are not large, extreme examples occur in modelling and you also see it happening with TV presenters and behind the scenes in hotels and bars in picking customer-facing staff. In a range of occupations though, less attractive people can be overlooked in favour of better-looking others. The effect seems linked to ageism as our appearance changes as we get older – sometimes not always for the better! As Edgar Degas remarked, 'everyone is talented at 25, the difficulty is to have it at 50'.

There has been some serious research into this aspect of labour market operation and its bedfellow aesthetic labour[17] and there is a plainness penalty that works for both men and women that cuts across a range of occupations. A study of lawyers found that better looking lawyers earned more than others and that looks were a cause not just a coincidence[18]. This was attributed not to employer discrimination in giving the best jobs to the prettiest, but to clients preferring and selecting better looking attorneys. The most recent research which looked at personality, personal

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[16] Baxter, J. (2011) Survival or success? A critical exploration of the use of 'double-voiced' discourse by women's business leaders, *Discourse & Communication*, 5(3) 231-245.

[17] Hamermesh, D.S. and Biddle, J.E. (1994) Beauty and the Labor Market, *The American Economic Review*, 84(5) 1174-1194.

[18] Biddle, J.E. and Hamermesh, D.S. (1998) Beauty, Productivity and Discrimination: Lawyers Looks and Lucre, *Journal of Labor Economics*, 16(1) 172-200.

grooming and beauty together, found that an attractive personality and high levels of personal grooming seem to reduce the effects of beauty alone[19]

Even a person's height can make a difference. The link between height and occupation has been studied since the early 20th century and fresh evidence shows that taller people tend to work in more highly skilled occupations. Explanations for this include employer discrimination against shorter people, taller people having more self-esteem or that they have more social capital from participating in more social activities as children. More recent explanations however centre around the link between children's height and their intellectual capacity[20] – there is some evidence that taller children do better on cognitive tests and reach their intellectual capacity earlier - and this effect works its way through into the labour market.

Closing thoughts

Having identified some potential barriers that operate through subconscious and conscious decisions about people and their capabilities we can move towards some conclusions.

While many organizations feel that it makes sense to single out an elite group for special treatment, we need to ask if it is wrong to consign a majority group to one that matters less. We should ask because everyone produces valid claims of their own and everyone should matter from a moral point of view[21]. Indeed, one could argue that the very presence of an elite talent development programme is a recognition of a general failure of people management in an organization since it is the way people are organized and jobs are designed that matter most. If organizing is sorted out, then maybe there wouldn't be much need for separate talent programmes – but that organizational position is a very long way away.

As we have wrestled with the ideas of inclusive and exclusive talent management - perhaps the way forward is to combine both. Yes let's focus on the stars, but let's also organize for the majority creating cultures in which more can release their potential. That of course is a very tough ask that many organizations would say they

[19] Robins, P.K., Homer, J.F. and French, M.T. (2011) Beauty and the Labor Market: Accounting for the Additional Effects of Personality and Grooming, *Labour*, 25(2) 228-251.
[20] Case, A and Paxon, C. (2008) Stature and Status: Height, Ability and Labor Market Outcomes, J. Political Economy, 116, 499-530. Deaton, A. and Arora, R. (2009) Life at the top: the benefits of height, *Economics and Human Biology*, 7, 133-136.
[21] Rawls, J. (1972) 'A Theory of Justice', Clarendon Press: Oxford.

try and do - but therein lies the talent of management that is alluded to in the title of this lecture.

It is easy to argue that talent management is relevant to all organizations all of the time. But perhaps when mature product lines face tough environmental challenges the need is at its greatest. Some universities could now be considered to be in this position. So if I may take this opportunity to say something about universities and talent then one aspect in particular needs thinking about.

In what will surely become a much more competitive marketplace brought about by higher fees, and claims by some employers that they will start taking more people after 'A-Levels', there is a real opportunity to differentiate learning/teaching strategies to better introduce and expose students to the ethos and practices of organizational life that await them. This is not to turn history students into business men and women, but to try and address the persistent complaints by employers that many graduates still lack the social skills they are looking for.

A survey conducted earlier this year by the Chartered Management Institute[22] found that employers in the UK continue to think that a high proportion of young people are weak in terms of job potential, enthusiasm and communication skills – a situation that has not changed much over the years.

A price of being marked out as 'talented' is to take charge of one's own employability in the fight to stay in the talent pool. Although many employees can access standard training and development provided by their employers, individual development plans are needed as talent is something that needs to be refreshed or renewed every now and then. Good networks are also needed to catalyse the creativity and social support that is often needed to sustain above average performance[23].

Universities can help students prepare for this and we really should be looking hard at how learning/teaching strategies can better combine academic content and personal development centred around core management skills rather than see personal development as a bolt-on component if it exists at all. Many courses offer Personal Development modules but we need to go far beyond them to enhance employability and embed lifelong learning skills. This will challenge institutional

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[22] Tomorrow's Leaders, Chartered Management Institute, March 2011.
[23] L. Gratton, 'The Shift: The Future of Work is Already Here'.

systems and will in many places need quite revolutionary change in thinking and practice. Building aspects of social enterprise into degree programmes is one possible way forward.

We really do have to throw away a lot of the baggage we have picked up over the years around how we assess, around ideas of what contact time means and rethink the student experience. If we get this right we can be brilliant – but a lot of entrenched practice has to be thrown overboard. In business studies for example, how about more cross-faculty input where present and future managers learn from leadership in animal systems or develop social skills through drama? Those universities that do this the best will have an immediate competitive advantage as students relate the high costs of higher education to the likelihood of getting a graduate-level job.

All of us here tonight will be aware of the relatively recent expansion of higher education and it is great to see more young people from lower income, working class backgrounds going to university. The trouble is though that, as Raymond Boudon the French sociologist pointed out, the distribution of education changes a lot more rapidly than the distribution of social class. Given that social capital shapes employers' perceptions of talent then those working class kids will still struggle to feature on the organizational radar that sweeps for the X-Factor. The problem is more acute as our economy relies more on knowledge-based organizations in which presentation of the self becomes an integral part of the product[24] – rather like a personal branding effect.

So I think that if universities don't radically change the student experience we are effectively leaving graduates to fate, to depend on their innate abilities and those abilities which by chance they have developed as a result of their upbringing or the education system they encountered before university. An approach like this, however, does raise at least one difficult question around diversity. Certainly from a moral perspective alone then organizations should recruit and develop those they think offer the best potential regardless of demographic factors and factors around life-style choices.

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[24] See Brown and Hesketh,

But our views of talent are shaped by our own cultural norms and if we are to expose our very diverse student base to Westernised ideals of what constitutes good management and workplace behaviour then we have to recognise some potential clashes between what we think are the right behaviours to emphasise and what, for example Chinese or Muslim, cultures value and respect. Some cultures, for instance, show a high respect to age or seniority for their own sake. Western management philosophy, being more concerned with results, is less respectful of these factors and we should not try to teach people to disrespect their own values or to be something they are not. But this is not an insurmountable problem.

In closing then, what are the headlines from this lecture? I think there are two challenges in particular for organizations. One is full and fair identification of those who are contributing or who could contribute far above the average and we have seen several pitfalls in doing this. There is scope for more organizational research into how talent is recognised and the interplay of factors affecting talent recognition.

We have seen that elitist talent management can be ethical so long as the outcomes and effects extend beyond the select few to benefit the wider majority. Again there is useful research to be done in understanding more about how organizations evaluate the value of their talent programmes. The development of a theoretical but practical framework would be a useful step.

Finally, most universities are fighting a battle for future students. Some will rely heavily on their reputations to attract people and doubtless survive very well, but for many universities it will be those that really deliver on the student experience in relation to future work and employability that will be the more likely winners in the years to come.