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**‘Exclusive Inclusivity’:  
Securing Status and Legitimacy in the UKs  
Elite Professional Service Firms**

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## **Abstract**

Establishing an exclusive professional knowledge base through social closure is considered a key mechanism through which professional occupations have historically secured their high status and rewards. However, elite professional service firms (PSFs) in the UK currently face pressure from government and regulators to prove their legitimacy by appointing a more inclusive workforce. Drawing on detailed qualitative research conducted at five elite PSFs in the UK we ask: *How do organizations and their members sustain the contemporary dialectic of exclusive professional knowledge alongside an inclusive professional workforce?* We show how this balance is sustained through a series of rhetorical and practical contortions in graduate recruitment and selection and in diversity and inclusion programmes, which turn on versatile conceptualisations of ‘top talent.’ Our key theoretical contribution is to the sociology of the professions, in which context we build on work which aims to reconnect the study of professional occupations with organizations. We also problematize the notion of ‘talent’ which, though widely employed within the professions, has been significantly under-theorised to date.

**Keywords:** Diversity and Inclusion, Professional Service Firms, Social Closure, Social Class, Talent

## **Introduction**

A contemporary challenge for professional occupations is to persuade key stakeholders that their knowledge is exclusive but that their community is inclusive (Ashcraft, Muhr, Rennstam and Sullivan, 2012: p474). This tension exists because

the professions have historically been characterised by high status, rewards and market power (Freidson, 1970, 1994; Hughes, 1958). This privileged position has been achieved in part through social closure (Larson, 1977), where professions seek to maintain an artificial skill scarcity and maximise rewards by limiting access and opportunities ‘to a restricted number of eligibles’ (Parkin, 1974: 44). However, the status of both the professions and professional knowledge is subject to recurrent threats (Saks, 2012). Most recently, a growing body of statistical evidence demonstrating exclusion on the basis of socio-economic background is said to challenge the legitimacy of many professional occupations, which are expected by government, their regulators and other stakeholders including clients, to practice inclusivity and remain broadly representative of the populations they serve (Ashcraft et al, 2012; Cabinet Office, 2010; Jacobs, 2003; SPADA, 2012).

Drawing on detailed qualitative research conducted at five elite PSFs in the UK, this study asks: *How do organizations and their members sustain the contemporary dialectic of exclusive professional knowledge alongside an inclusive professional workforce?*

We examine how this dialectic is sustained with respect to graduate recruitment and selection, and diversity and social inclusion. In both contexts elite PSFs place a heavy emphasis on their intention and ability to attract very best graduate talent. We question their ability to do so, but also suggest that the truth of this claim is less important than its rhetorical function, which is to construct an image of an *inclusive* workforce on the basis of apparently ‘neutral’ recruitment criteria, whilst simultaneously supporting the construction of professionals, and professional knowledge, as scarce, high quality and *exclusive*. Deployed in this way, an apparent

commitment to ‘top talent’ may obscure the tendency of elite PSFs to say one thing and do another with respect to social inclusion (Ashley, 2010; Brown and Hesketh, 2004; Cook, Faulconbridge and Muzio, 2012) and furthermore, enables them to make two oppositional claims, using the very same term.

The key theoretical contribution of this study is to the sociology of the professions, where the traditional emphasis on occupations contrasts with an important empirical development, namely the development and growth of large, multinational PSFs and the shift of professional work to organizational settings (Faulconbridge and Muzio, 2008). Against this backdrop, scholars have encouraged efforts to reconnect the study of professional occupations with the study of organizations (Muzio et al, 2013; Muzio and Kirkpatrick, 2011; Suddaby et al, 2007). Our study responds to this call. We show that though often consciously deployed within the professions in order to safeguard higher status, social exclusion is not solely the result of a coherent ‘professional project’ (Larson, 1977) but can be seen as one means by which elite professional organizations in different sectors seek a common identity and in doing so, differentiate themselves from the ‘rank and file’ of their own occupation. As such, the exclusivity/inclusivity dialectic is sustained not necessarily through collective identity work at the *occupational* level, as suggested by Ashcraft et al (2012), but through a strong emphasis on the image of specific *organizations* and the *individuals* they employ.

Our second key contribution is to interrogate the relationship between diversity, social inclusion and ‘talent.’ The notion of ‘talent’ is widely employed within the professional service sector, in relation to graduate recruitment and selection but also with respect to diversity agendas. In the latter context, widening access is

positioned by firms, regulators and policy makers as one means to respond to an apparent scarcity of high quality talent, contributing towards a ‘business case’ for social inclusion. We demonstrate that this scarcity is in fact artificially constructed as a result of interactions between elite organizations, which see more obvious commercial advantages in social exclusion. As such, we contribute to an existing body of critical literature which highlights the limitations of the business case for progressive change (Kersten, 2000; Litvin, 2002; Noon, 2007). We also problematize current constructions of talent within the professions and consider the impact on individuals and organizations (Brown and Tannock, 2009). Though there is a strong emphasis on ‘talent’ in a practitioner context (Collings and Mellahi, 2009; Gardner, 2002; Hiltrop, 1999), this has been treated uncritically within the academic literature, particularly organisation studies, and the manner in which organizations define and identify talent has been under-theorised to date (Lewis and Heckman, 2006; Somaya and Williamson, 2008; Stumpf and Tymon, 2001; Swailes. 2013). This is an important gap which we seek to address.

In the remainder of this paper, we develop our argument as follows. First, we describe the theoretical perspectives that have been used to explain social exclusion across the professions, trace the historical trajectory of today’s focus on ‘talent’ within organizations, and the development of D&I as a key policy agenda. Second, we describe the methodology for our qualitative study. Third we describe the findings from our empirical research. Fourth, we return to the theoretical implications of our findings, before concluding with suggestions for future research.

### **Establishing exclusivity: Expert knowledge and elite status**

Early theorists of the profession considered the association between professionalism, high status and market power as a relatively natural result of professional traits, such as altruism, ethics and moral authority (Carr-Saunders and Wilson, 1933; Durkheim, 1957; Parsons, 1954). Later work has questioned this functionalist approach, tending to theorise professionalism as a set of ‘myths’ imposed upon ‘a gullible public’ (McKinlay, 1973: 65). Related analysis has focused on process rather than traits and has attempted to explain how it is that professional occupations persuade society to grant them their privileged position (Macdonald, 1995). A body of theoretical and empirical work has been developed which demonstrates that high status has historically been secured through exclusivity, which in turn depends upon the construction of both professionals and professional knowledge as distinctive, valuable and reserved for the few and the finest (Ashcraft et al, 2012: 473).

The concept of the ‘professional project’ has been influential here, and presents the process of professionalism as an ‘attempt to translate one order of scarce resources – special knowledge and skills – into another – social and economic rewards’ (Larson, 1977: xvii). When the possessors of a certain body of abstract knowledge can standardize and control the dissemination of the knowledge base, they can dominate their market and enter a ‘regulative bargain’ in which occupational closure is sanctioned by the state (Macdonald, 1995; 10). This will allow them to further restrict access to their knowledge base and control the number of members on the basis of formal barriers, including qualifications, and by supervising the ‘production of producers’ (Larson, 1977: 71).

For Larson (1977), social closure is a conscious and coherent project set in train by a discrete occupational group with the tacit support of the state, though Abbott (1988) suggests that internal occupational divisions and conflict with other occupations over claims to exclusivity and jurisdictional control of a knowledge base are key characteristics of a 'system of professions.' However, whilst questioning the precise motives and mechanisms for exclusion, scholars generally agree first, that knowledge and expertise have historically been used ideologically by the professions to legitimate their standing (Saks, 2012), and second, that the construction of professional knowledge as both scarce and valuable is far from stable (Macdonald, 1995).

Specific challenges to the professions over the past twenty years include the development and growth of large, multinational PSFs, a trend encouraged and facilitated by globalisation, and leading to a significant fragmentation of the professions (Faulconbridge and Muzio, 2008). Over the same period a move towards graduate entry has contributed towards the social standing of many elite professions, yet simultaneously caused professional bodies to lose control over their supply side. A closely related challenge is located in the expansion of higher education over the past thirty years in the UK<sup>i</sup>. This development has supplied the labour force required by the increasing numbers of very large, multinational firms (Derber, 1982), but has also led to diversification away from the professional white, male, middle-class 'norm.' Since professional knowledge is closely associated with the people who produce it, constructions of professional knowledge as high status are considered particularly at risk when 'Others' enter a profession (Davies, 1996). As a result of these and other trends, including the growth of the knowledge economy (Alvesson,

2001), successful claims to exclusivity require the professions to perform ever more complex 'political acrobatics' (Ashcraft et al, 2012: 474)

### **Sustaining exclusion: Expert knowledge and forms of capital**

Bourdieuian theory (1984; 1985; 1988) helps to explain how social closure is operationalized against this backdrop within the professions, using informal rather than formal barriers. Bourdieu characterised society as divided in to fields or domains of power, within which an individual's success will depend in part on their access to, or ownership of, various forms of capital (Bourdieu 1991: 230). Arguably the most significant forms of capital are *social capital*, which is generated by relationships and can broadly be defined as the values and networks passed down from friends and family, and *cultural capital*, which exists in three forms: embodied capital refers to properties of the self, which are usually transmitted from the family through socialisation; objectified capital is represented by cultural goods; institutional capital is represented by academic credentials and qualifications which are recognised by institutions, including the labour market. What can constitute cultural capital are those symbolic goods which the elites of the field recognise as such through 'cultural authorization' (Young, 1990).

Understanding specific forms of cultural capital as legitimated by already powerful elites to sustain their status helps to explain how social exclusion is operationalized in order to maintain an aura of exclusivity and depict both professional knowledge, and knowledgeable professionals, as precious goods (Ashcraft et al, 2012: 473). Thus, whilst relevant credentials and qualifications are relatively abundant, an illusion of scarcity has been achieved in part as firms exert strong preferences for graduates with certain types of legitimised embodied capital

which are equated with middle or upper class status, such as speech, accent and mannerisms, and through the commodification and inflation in the value of traditional markers of elite status defined as institutional capital, in particular in the UK, a degree from Oxford or Cambridge University (Sommerlad, 2011). These characteristics are also thought to compensate for the ambiguity of knowledge in professional services (Ashley and Empson, 2013) and send signals of respectability often defined as *reputational capital* (Hanlon, 1998) to the wider public, particularly clients (Macdonald, 1995).

This approach to graduate recruitment contributes towards social exclusion in several ways but particularly because elite universities within the UK are heavily populated by students from more privileged socio-economic backgrounds. For example, at Cambridge University just over 40 per cent and at Oxford just under 57 per cent of full-time graduates during 2009/10 were educated at fee-paying schools<sup>ii</sup>, compared to seven per cent of the population. During 2006, only sixteen per cent of students entering Russell Group universities and nine per cent entering Oxford and Cambridge were from lower socioeconomic groups (lower-middle class and working class) (Cook et al, 2012). In contrast, students from less privileged backgrounds are significantly more likely to attend new universities, which studies suggest is not a reflection of lesser ability, but of unequal access to resources and effective teaching (Metcalf, 1997; Vignaendra, 2001). Furthermore, when they do apply to the Russell Group, applicants from state schools remain less likely to receive offers of admission in comparison with their equivalently qualified peers from private schools (Boliver, forthcoming).

As a result, over the past thirty years it has become increasingly difficult for students from less privileged socio-economic backgrounds to enter the professions (Cabinet Office, 2009). In the UK, this problem is particularly acute within the legal sector where solicitors born in 1970 grew up in families with an average income 65 per cent higher than the UK average (Cabinet Office, 2009). In total, 55 per cent of current solicitors were educated at private or fee-paying schools and this trend is particularly marked in the most lucrative firms which comprise the global elite (Cook et al, 2012). The greatest decline in social mobility over the past thirty years has taken place within the accountancy sector. Whilst accountants born in 1958 grew up in families with an income close to the national average, those born in 1970 grew up in families with an income 40 per cent above the national average. Whilst there is less data available than in other elite occupations evidence of social exclusion also extends to the financial services sector. For example, during 2011 The Sutton Trust examined the educational background of over 7,000 of what they call the UK's 'leading people' and found that 57 per cent of those in financial services had attended fee-paying schools (The Sutton Trust, 2012).

### **Justifying inclusion: The business case for diversity and 'top talent'**

Professional occupations have been awarded their privileged position by successive governments on the basis that they remain in some sense representative of the communities they serve (Jacobs, 2003). As a result, clear evidence of social exclusion represents a new challenge to the legitimacy of many professional occupations (Ashcraft et al, 2012; Cook et al, 2012). Pressure to become more socially inclusive has arguably increased following the publication of the *Cabinet Office Panel for Fair Access to the Professions* in 2009. This report was

commissioned by the UK's previous Labour administration in order to advise on 'how we can make a professional career genuinely open to as wide a pool of talent as possible' (Cabinet Office, 2009: 5). It received wide coverage in both trade and national press and was followed by a surge in activity with respect to social mobility and access to the professions. For example, the charitable body Professions for Good published the '*Social Mobility Toolkit for the Professions*' which offered practical guidance again aimed at professional firms 'seeking to recruit from a wider talent pool' (Spada, 2012: 2).

Following its election in 2010, the UK's current coalition government appointed a 'Social Mobility Tsar' in order to co-ordinate action, and in 2012 the government established the Child Poverty and Social Mobility Commission, the remit of which includes improving access to the professions on the basis of socio-economic background. Increasing numbers of elite PSFs are now engaged in programmes aimed at diversity and social inclusion (Ashley, 2010; Ashley and Empson, 2013; Cabinet Office, 2010; SPADA, 2011). A key premise behind these programmes is that by widening access on the basis of social background, organizations can take advantage of an expanding talent pool and achieve commercial benefits as a result.

The attraction and retention of talent is central to D&I agendas (Rowley and Jackson, 2011) and is now a key feature of organizational life. This focus on talent has become particularly prominent since the publication of the '*War for Talent*', by a group of McKinsey consultant in 2001. They argued that success in the modern economy depends upon developing a talent 'mind-set,' defined as a 'deep-seated belief that having better talent at all levels is how you outperform your competitors'

(Michaels et al, 2001: 22). The talent mind-set has received wide currency in the practitioner context (Beechler and Woodward, 2009; Cappelli, 2008, 2008a; Gladwell, 2002). Proponents focus on the need to differentiate employees based on performance and to attract and nurture apparent 'A-players' who are in the top ten per cent of all talent available to organizations (Robertson and Abbey, 2003; Smart, 2005). A strong focus on attracting only the very 'brightest and the best' is arguably both cause and effect of a situation in which many organizations nowadays operate in scarcity mode with regard to talent (Beechler and Woodward, 2009; Armstrong, 2006). However, though there is a strong emphasis on 'talent' within professional labour markets, this has generally been treated uncritically within the academic literature to date (Lewis and Heckman, 2006).

In this paper, we examine constructions of 'talent' in relation to two separate but related challenges experienced by elite PSFs. First is the requirement dictated by the professions' status project, that they present professionals, and professional knowledge, as highly exclusive. This task has become more challenging following the expansion of higher education, which has contributed towards an abundance of suitably qualified graduates in the labour market, and some demographic diversification. Second is increased scrutiny from stakeholders including regulators, government, policy makers and clients which suggests that these firms should become more inclusive on the basis of social background. Of course, exclusivity on the basis of intellect and skill need not prohibit the appointment of diverse practitioners on the basis of social class. However, since the professions are known by the company they keep, integrating 'Others' may be associated with professional decline and must therefore be managed (Ashcraft et al: 472; see also Davies, 1996).

It is against this backdrop that we ask: *How do organizations and their members sustain the contemporary dialectic of exclusive professional knowledge alongside an inclusive professional workforce?*

## **Methodology**

This paper draws primarily on two sequential studies examining the value of D&I strategies as a means to widen access, at five of the UK's leading PSFs. Phase One included in-depth case studies of the London offices of one law firm, within the top ten by turnover in the UK, and three accountancies, all of which are in the 'big six' and two of which are in the 'big four.' The second phase of the research extended our analysis to a leading bank in the City of London. This was informed by data collected during Phase One of this study, which suggested that the interactions between elite professional organizations are important in relation to the relationship between diversity, inclusivity and exclusivity. Analysis at this investment bank enabled us to examine these interactions in further detail.

A total of 80 interviews were conducted in the five case study firms we report on here. Interviews took place on the organisations' own premises and were recorded for transcription, and detailed field notes were taken. At all five firms, interviewees were purposively selected with a particular emphasis on senior staff who had previous and/or current responsibility for graduate recruitment and selection, and/or with responsibility for agendas aimed at diversity and social inclusion. All interviews were conducted by the first author, face-to-face and took up to one hour.

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Interviews were based on the same semi-structured questionnaire. During Phase One, the research initially aimed to address gender and ethnicity, though social exclusion emerged as an important theme early on. In total, 93 per cent of the transcripts collected from this first phase of the research include discussion of exclusion, inclusion and/or social class. Interview questions comprised the interviewees' knowledge and experience of graduate recruitment and selection procedures, including what each firm looks for in junior staff and graduate trainees; the firm's approach to diversity and inclusion; their own experience within the workplace in relation to exclusion and/or inclusion; and additional open-ended questions around the concept and practice of diversity, in all of which social class emerged as a key factor.

During the second phase of the research, the same subjects were addressed and this phase also included a more direct approach to social exclusion and inclusion through the addition of questions including: *Is social class relevant at this firm?*; *What is the motivation for your firm's engagement in programmes aimed at social inclusion?*; and, *what is the likely impact of these programmes on a) the organization and b) individuals?* Social class and inclusion were discussed in depth during all of these interviews.

Data analysis took an inductive and iterative approach, allowing themes to emerge in part from theory, in part during the process of data collection and data analysis (using specialist qualitative software NVivo). We sought primarily to understand how 'talent' is identified and defined in practice. In order to do so, we searched for references to graduate recruitment; to graduate selection; and to diversity and social inclusion. References to graduate recruitment were coded as

relating to an ‘abundance’ of applicants compared to those describing ‘scarcity.’ The vast majority were in the former category. References to graduate selection were analysed in order to identify how talent is identified and defined in practice within elite PSFs and were subsequently coded and mapped onto sub-categories according to the various forms of capital. With respect to social inclusion we sought to identify explanations for each firm’s perceived engagement with related programmes. Answers were coded as motivated predominantly by a concern to attract diverse talent, a concern with reputation or legitimacy, or both.

### *Secondary research*

In addition we examined the corporate websites of the six largest English law firms in UK, the six largest investment banks, and the six largest accountancy firms, which are counted amongst the most prestigious and largest graduate employers in the UK (Highfliers, 2013)<sup>iii</sup>, with the intention to understand how these firms present and design their approach to graduate recruitment, selection, and to social inclusion. Corporate websites are an important source of information about these specific areas and the specific principles and values espoused by elite PSFs. They also provide details of the graduate schemes available, along with the skills, qualifications and competencies for which the firm looks, and information on how and when a candidate should apply. Since all applications are nowadays submitted on-line, candidates must by necessity visit the graduate careers pages on a potential employer’s website. We searched for all indications of exclusivity and inclusivity across the relevant sections of the site. Signals of exclusivity were coded using phrases such as ‘elite’, the ‘brightest and the best,’ the ‘very best,’ or the ‘war for talent’; and those suggesting inclusivity were coded using words and phrases such

as ‘diverse talent’, ‘widest possible pool of talent’, ‘all academic backgrounds’ and ‘irrespective of background.’ Often, firms made these simultaneous claims within the very same sentence as we demonstrate in further detail below.

### **Top talent in recruitment and selection**

People are invariably positioned as knowledge based organizations’ greatest asset. Indeed, on their corporate websites elite PSFs make repeated references to this acknowledged cliché, and place heavy emphasis on their ability to provide the very ‘highest quality’ people, expertise, experiences and skill to clients. However, these firms are also adept at balancing claims to both exclusivity and inclusivity in this context. Corporate websites belonging to the eighteen firms we examined emphasised their aim to recruit only the ‘brightest and the best’ whilst suggesting that they seek to achieve this goal irrespective of social or educational background, as illustrated in the quotes below:

Success . . . will require us to continue attracting, developing and retaining the very best talent available . . . In our search for highly talented individuals we know that, historically, students from less advantaged backgrounds have not had the same access . . . to City jobs. (Clifford Chance: <http://gradsuk.cliffordchance.com/>)

We draw from the broadest possible pool of talent to build an environment that gives us the competitive advantage (J.P. Morgan: <http://careers.jpmorgan.com/student/jpmorgan/careers/us/working>).

There is a fierce talent war in the market place . . . We rely on the highest quality of fresh talent to provide innovative thinking, diverse insight . . . when it comes to top talent, demand far exceeds supply . . . That’s why we’re pushing hard to become a place where the most talented people can do their best work . . . irrespective of their backgrounds (Deloitte: [http://www.deloitte.com/view/en\\_GB/uk/careers/](http://www.deloitte.com/view/en_GB/uk/careers/))

In practice, over three-quarters of the top graduate employers (Highfliers, 2013) and all five of our case study firms expect candidates to have completed relevant work experience in order to secure a job, ideally at the same firm, or at the

least within the same sector. In order to secure an internship and an eventual graduate trainee position, students are required to complete an extensive application process, usually including on-line numerical and verbal reasoning tests, and a “competency based” telephone interview. If the candidate is successful, they may be invited to an assessment centre, where they will be interviewed again, this time in person, and take part in a series of team-based exercises and further tests.

In order to reach the assessment centre, candidates are also screened on the basis of academic credentials. Despite some variation between firms, elite PSFs typically expect upwards of 340 UCAS points at A-level (or equivalent qualification) depending on the scheme to which students apply and the practice area. Applicants are also expected to receive an upper second or first class degree and firms which have more than one graduate programme also state that certain schemes have preferences for relevant degrees. However, in all other respects they suggest that a candidates’ academic credentials will be judged equally with no regard to the awarding institution and indeed, an applicant’s choice of university is not mentioned as a relevant factor on the case study firms’ websites at all.

This emphasis on strong academic performance conveys an impression of exclusivity and quality, alongside a relatively inclusive attitude with respect to university choice. However, elite PSFs make clear that academic credentials are not the only characteristic on which they select their graduate trainees. In addition, they list a variety of competencies, skills and aptitudes, which include for example business awareness, problem solving and commercial awareness. Yet whilst candidates are screened on academic credentials and these other criteria during the recruitment process, most elite PSFs continue to experience a significant over-

supply of potentially qualified candidates. In this context, according to our interviewees identifying the most talented candidates is in fact difficult, costly and time-consuming, if it is possible at all. For example, the partner in charge of graduate recruitment at Galaxy Law (GL/M4) said that: 'There are far, far more people applying with appropriate academic grades than there are places . . . selection is more problematic now than ever, just because of the supply coming through.' According to a partner at Moon Accounting (MA/F2): 'You need ability, but how do you judge it? How you cope with the numbers in the marketplace is just beyond me.'

A key challenge for those responsible for graduate selection is then to narrow the field. An important means by which this is achieved is by exerting a strong preference during the selection process for students educated at a small sub-set of elite universities. Interviewees explained that preferred candidates are generally educated at the Russell Group, with a particular focus on Oxford and Cambridge, though specific departments or individuals focus on students educated at a more limited group of elite universities even than this<sup>iv</sup>. Selecting students in this manner offers two advantages to elite PSFs, according to interviewees. First in the context of abundance, it represents a relatively low risk strategy, where the 'quality' of a graduate and his or her aptitude for the job can be quickly assessed, according to the status and entry requirements of the university they attended. Second, this strategy is considered to protect or enhance the image of an organization by sending signals to clients and competitors about the 'quality' of their employees. Both strategies are implemented throughout the selection process and can be mapped on to legitimated and overlapping forms of social, reputational and cultural capital, as demonstrated in table two:

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Whilst able to rationalise the current approach to graduate recruitment and selection according to the explanations above, half the interviewees in this research expressed some ambivalence about the impact of their firm's current selection strategy on talent. They underlined that selecting students on the basis of university attended results in a homogenous group of employees, usually from more privileged backgrounds, who lack commercial aptitude, drive and ambition. For these interviewees, this approach often results in their firm appointing '*second-rate*' or '*mediocre*' students from elite universities, rather than the very best students and most appropriate students educated outside this small elite group. As one partner at Moon Accounting said (MA/M10): 'We satisfy our criteria recruiting the 'best' people in the sense that we're recruiting to a set of standards . . . but in terms of our ability to accommodate the sort of the people who might actually benefit our business, we've lost that.' A managing director at Mars Bank (MB/M7) said: 'We have pretty much a cookie-cutter thing, so most of the junior people that work for us look exactly the same . . . generally we have people who have immense IQ and weak EQ.'

### **Scarcity and the 'War for Talent'**

Though the current recruitment strategy applied by these firms is (relatively) inclusive, the selection strategy is then highly exclusive, based not solely on objective measures of academic performance, but also on more subjective forms of cultural, reputational and social capital. This more exclusive strategy is of course not widely publicised by these firms and is therefore not transparent and as such allows elite PSFs to make an explicit public commitment to an inclusive labour force whilst relying for example on the embodied and institutional capital of their eventual labour

force to confirm the possession of highly exclusive professional knowledge to clients and indeed competitors. An additional benefit of this strategy is the impression of scarcity it conveys, as most elite PSFs have identified the same 'ideal type' of candidate, and subsequently compete with their peers and competitors to attract this relatively small group. This alleged scarcity is often encapsulated as the 'war for talent.'

The belief that there is shortage of 'top talent' across elite PSFs has had a material impact on recruitment and selection processes within the elite professional service sector, where it has been taken up and arguably exploited by recruitment professionals both inside and outside elite PSFs. For example, one way in which these firms reach their preferred graduate applicants is via the so-called 'milk-round,' during which elite PSFs visit the campus of favoured universities during the autumn term and market their vacancies, traditionally to final year students. In this way, PSFs are able to encourage applicants from those institutions from which it is already most likely to select. However, nowadays, the milk-round takes place significantly earlier in the academic cycle, with firms visiting students during their first year at university, or even when they are still at school. This early contact offers firms the opportunity to secure 'top talent' early in the recruitment cycle and is positioned by recruitment experts as a response to extreme competition between elite firms within the 'war for talent' (Ufindell, 2012).

Talent is then constructed by elite PSFs and organizations with which they work as though there were a fixed amount, as opposed to a fixed definition. For example, during December 2012 a body called Resourcing Think Tank ran a conference hosted by leading law firm Clifford Chance, and entitled *Identifying the*

*'Right' Time to Target Undergraduate Talent.*' The promotional material read as follows:

The war for talent seems to have evolved into a never ending campaign. One of the most frequently fought fronts is the annual battle for graduates. . . one of the most critical decisions that these hardened teams of graduate recruiters need to make. When do they launch their campaigns? . . . Too late, and without the right impact, the top talent will have already been captured.

The belief that firms are now on a battle footing with respect to talent was reflected by numerous interviewees including one from Mars Bank (MB/M5) who said: 'all the banks are in competition, you know, gunning for that small pool of talent.' Others though approached the same concept with a mixture of cynicism and disbelief. In the words of a colleague at Mars Bank (MB/F4): 'The war for talent is bollocks! . . . Absolutely s\*\*\*e!'

### **Scarcity and Social Inclusion**

Despite this cynicism and tacit acceptance by some that the current recruitment and selection strategy often results in trainees who are not, in fact, the most talented of their peer group based on more objective criteria, no interviewee in this research predicted a significant change to their firm's graduate recruitment and selection strategy. According to a partner at Galaxy Law (GL/M3): 'There is an understanding that the pool of talent can only be widened by policies of diversity, but the reality is in terms of talent we get far more people apply to us than we can ever take on.' A partner at Planet Accounting (PA/F2) made a similar point: 'Widening access is not going to be a priority because there are just so many graduates that we've got more than we could ever need. It's supply and demand.'

This perspective arguably contradicts formal communications and policy, where the adoption of schemes to improve social inclusion is often characterised by elite PSFs as a means to access more diverse top talent, and sometimes explicitly as a response to the ‘war for talent.’ Indeed, this elision was made complete by one of our case study firms, which had given this moniker to their diversity and inclusion committee. However, an apparent scarcity of talent was not the explanation for engagement with social inclusion programmes provided by our interviewees, the majority of whom described instead the considerable reputational advantages associated with doing so. According to one partner at Moon Accounting (MA/F5): ‘widening access wouldn’t give us a competitive advantage or anything like that . . . If we do it it’s because it’s the right thing to do.’ The position of interviewees at Mars Bank was particularly interesting in this respect. Though not discounting talent as a reason for engagement in these programmes, almost all interviewees claimed that doing so offered a means to improve the reputation of the bank, and sixty-five per cent of interviewees claimed that this is the primary motivation. According to a Vice President at Mars Bank (MB/F1): ‘The motivation was . . . wouldn’t it be great if we can get some publicity around the fact that we have taken these kids in. . . to be able to say ‘Actually we are quite nice people really.’

As such engagement in these programmes is considered a means to signal inclusivity and therefore achieve a measure of legitimacy on behalf of these firms (though, as corporate communications also make clear, not at the expense of quality). The dialectic between exclusion and inclusion is further reflected in the design of D&I agendas, where once again it is also sustained. Generally programmes aimed at social inclusion identify students who are defined as under-

privileged using a variety of measures, but who are likely to achieve high A-level grades. These students are subsequently provided with support, mentoring, and skills training aimed at helping them to access an elite university, and with paid internships. As noted, the latter are a critical pathway to eventual employment at an elite law firm, but are often less available to under-privileged students who lack information, assistance and aspiration, defined as social capital. The programmes also provide students with coaching and training which helps them to develop the type of cultural capital considered necessary for participation in this labour market. However, despite considerable material and educational *disadvantages*, students who take part in these programmes are expected to receive the same academic qualifications as their highly *advantaged* peers. In practice these programmes attract already well qualified applicants and socialise them towards existing norms. Engagement in these programmes therefore suggests an *inclusive* approach towards social background by elite PSFs, though the rhetorical emphasis on ‘top talent’ along with the practical design of these programmes simultaneously supports the image of *exclusive* professional knowledge. Though of undoubted benefit to small numbers of exceptional students, the key beneficiaries of these programmes are arguably elite PSFs, who continue to pass risk outside their organization and protect their privileged position. We consider the implications of our findings for theory and practice below.

## **Conclusion**

In this paper we have asked: *How do organizations and their members sustain the contemporary dialectic of exclusive professional knowledge alongside an inclusive professional workforce?* We focused on graduate recruitment and selection

and diversity and social inclusion and argued that this feat is achieved in part through the use of versatile conceptions of ‘talent.’

First, we briefly examined corporate communications relating to graduate recruitment and selection, and diversity and inclusion. In this context, elite PSFs publicise their ambition to attract applicants from the very ‘brightest and best’ students in the UK who are they say selected regardless of social background. This approach signals a commitment to *exclusive* and high quality professional knowledge on behalf of these firms alongside an *inclusive* attitude with respect to their potential workforce. This latter impression is underlined where firms make an explicit commitment to widening access through social inclusion programmes, in which context an emphasis on ‘top talent’ signals to interested parties that diversification, in other words inclusion, does not equate to less exclusive or lower quality knowledge.

Second, we examined graduate recruitment and selection in practice. In this context, having invited applicants on a relatively *inclusive* basis, elite PSFs are faced with an *over-abundance* of potential candidates. Subsequently they define the most desirable ‘top talent’ with heavy reference to specific forms of ‘cultural capital,’ ownership of which is typically confined to more economically privileged students (Ashley and Empson, 2013; Bourdieu, 1972; 1984; 1985; 1988; Cabinet Office, 2010; Cook et al, 2012; Sommerlad, 2007). This relatively *exclusive* selection strategy is considered one means to safeguard their high status by elite PSFs, whilst a valuable impression of *scarcity* is enhanced as most elite PSFs have identified ‘top talent’ in similar terms, and subsequently compete with each other to recruit and select individuals from this relatively small pool.

Third, we focused on programmes aimed at diversity and social inclusion. Though regularly positioned in public as a means to improve the supply of talented graduates, according to interviewees, engagement in these programmes by elite PSFs is most obviously motivated by the reputational advantages and therefore legitimacy associated with an apparent commitment to social inclusion. However, having defined 'top talent' in narrow terms, elite PSFs have in fact helped to create the conditions for inequality and exclusion. The juxtaposition of 'top talent' with apparently progressive objectives in favour of social inclusion appears somewhat illogical when viewed from this perspective yet, again, this alignment serves a useful function on behalf of these firms by enabling diversity programmes to project a largely progressive and *inclusive* image whilst operationalizing *exclusivity* behind closed doors, thereby continuing to protect both the status and legitimacy of the organizations involved.

A key theoretical contribution of our paper is to the sociology of the professions. In common with Larson (1977) we see social closure as a means to secure two related goals, both status and economic rewards, through the exclusion of 'ineligibles' (Parkin, 1974: 44). Given changing economic and social conditions, the means by which this objective is operationalized is of course spatially and temporally contingent (Burrage and Torstendahl, 1990). Like Abbott (1991: 390) we emphasise that this 'project' should be seen as a 'complex dynamic process with several levels of action' and 'professional localities.' As such, we also underline the extent to which the dialectic between inclusivity-exclusivity is sustained and managed by multiple stakeholders, in part, through a professional preoccupation with image. In this latter sense, our argument has something in common with Ashcraft et

al (2012), who suggest that the tension between exclusivity and inclusivity has caused a 'crisis of representation' for the professions. However, Ashcraft et al (2012: 469) suggest that this crisis is managed through occupational branding, or 'strategic work on the identity of work.' In contrast, we raise questions about whether the management of this tension and indeed social closure can be seen as necessarily an *occupational* endeavour. Indeed, for our case study firms, social closure is motivated most obviously by intense competition between *organizations* who are seeking to attract and retain the type of graduate candidate thought most likely to reassure clients about their high quality (Alvesson and Johannsson, 2002). Exclusion is not the result of shared interests and co-operation across an occupational group but is instead an important means for a group of organizations to form a collective social identity grounded in 'elitism' (Robertson et al, 2003: 853). It is likely that in doing so, large professional organizations seek to differentiate themselves from the rank and file of their respective occupations. This analysis supports Freidson's (1985, 1994, 2001) prediction of a growing occupational divide between a 'knowledge' and 'administrative' elite operating within large professional organizations, who contrast with workers (and firms) faced with lesser terms and conditions (Muzio and Kirkpatrick, 2011).

Our second, though closely related contribution, is to problematize the notion of 'talent', including its widespread use within apparently progressive programmes aimed at diversity and social inclusion. With respect to the latter, having demonstrated that elite PSFs experience a strong commercial incentive in favour of exclusion, we add to the large critical literature focusing on the failures of the 'business case' for progressive change (Litvin, 2002; Noon, 2010). However, though

there is a large academic literature and practitioner literature on talent and ‘talent management’ (Armstrong, 2006; Cappelli, 2008, 2008b; Michaels et al, 2001) there has been relatively little critical or ethical evaluation directed at this practice (Lewis and Heckman, 2006) particularly within organization studies. Exceptions to this rule tend to focus on problems associated with the identification and definition of talent (Groysberg, McLean and Nohria, 2006; Groysberg, Nanda, and Nohria, 2004), and its effect on individuals (Brown and Tannock, 2009) and organizations (Pfeffer, 2001; Pfeffer and Sutton, 2006). Of course, intellect and skill are important requirements for many knowledge workers and there is of course some level of diversity in the labour force of elite PSFs. However, we have argued that ‘talent’ is narrowly defined within elite PSFs, leading to unfair recruitment decisions which have a disproportionate negative impact on students from less privileged backgrounds. Though it appears less than progressive from this perspective, the association between talent, talent management and D&I is arguably not coincidental. This agenda relates to the human capitalist (Becker, 1993, 2006) view that a focus on the individual amidst a ‘war for talent’ will hasten a meritocratic society as organizations seek the brightest and best regardless of social background, and with a neoliberal view of market competition, which in fact encourages rising income inequalities (Brown and Tannock, 2009: 377). The deployment of ‘top talent’ as a rhetorical and practical device arguably serves an ideological purpose, by allowing a perception of scarcity within the professional labour market to flourish, which may be associated with an established tendency to seek freedom from regulation, and institutional autonomy (Evetts, 2002). To the extent that current constructions of talent remain

unchallenged, this may contribute towards the growing power and influence of professional elites, and the professional organizations in which they work.

## **Conclusion**

Our findings suggest that a genuine commitment to social inclusion within elite PSFs may depend on a more and widespread deconstruction of the notion of talent, and its impact on individuals and organizations. Though the UK government and regulators are arguably the most significant source of pressure on elite PSFs to become more inclusive this project to more fully deconstruct notions of talent may paradoxically not originate from this source. Indeed, whilst successive UK administrations have expressed a strong interest in widening access to the professions, to date there is no compulsory duty on PSFs that they should act on this issue and there are no consequences for these firms should their graduate intake remain relatively exclusive on the basis of socio-economic background. Overall, this approach suggests that legitimacy can be achieved by elite PSFs saying the right things about social inclusion rather than necessarily doing the right thing. This tendency towards inaction may be compounded within the professions in which context 'talent management' continues to offer an important revenue stream for many firms. However, this study has focused on how elite PSFs attempt to sustain the relationship between exclusivity and inclusivity and not, for example, on how these activities are interpreted and understood by a wider public including their potential and current clients. Though an alleged scarcity of talent may be attractive to elite organizations by raising the value of their expert knowledge, sustaining this project may seem less so to those clients who face higher fees as a result. One recommendation for future research is then a detailed analysis of how clients

interpret and perceive the relationship between exclusion and inclusion, which would include analysis of how they define and identify 'talent' amongst their professional advisors. A project of this nature would improve our knowledge of client attitudes alongside representations and therefore make a further contribution towards deconstructing the 'talent myth.'

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**Table One: Demographic Characteristics of Interviewees**

	Mars Bank			Moon Accounting			Star Accounting			Planet Accounting			Galaxy Law			T
	Man agin g Direc tor	Vice Presi dent	SM	Part ner	Direc tor	Seni or Man ager	Part ner	Direc tor	Seni or Man ager	Part ner	Direc tor	Seni or Man ager	Part ner	Seni or Asso ciate /Man ager	Juni or Asso ciate	
M	4	5	2	-	2	1	3	1	4	5	3	1	6	5	-	<b>42</b>
F	-	2	4	4	1	3	1	2	5	3	2	2	3	5	1	<b>38</b>
<b>T</b>	<b>17</b>			<b>11</b>			<b>16</b>			<b>16</b>			<b>20</b>			<b>80</b>

**Table Two: Forms of Capital in Graduate Selection**

<i>Type of Capital</i>	<i>Illustrative Quotes</i>
Human/ Institutional Capital	<p>I don't think you can recognise talent in an interview, and that is the biggest problem . . . hence the reason to go to all of these really select universities, because you may be able to fall back on that academic background. (MB/M4, Managing Director, Mars Bank)</p> <p>There are two-and-a-half or three years of very hard exams you've got to pass. Now statistics tell us that most people would be successful if they have A's, which is why we like the A levels because the degree isn't even good enough, you need A's at A-level too . . . " (SA/F5, Partner, Star Accounting)</p> <p>If I looked at promotions we'd never look at whether you've got a degree. Proven experience is more important, definitely. At graduate level we [look at university] because you need a means ... it's more of a blunt selection process. (PA/M8, Partner, Planet Accounting)</p> <p>We aim to recruit quite heavily from the Russell Group. Oxbridge where we can. It just sends out signals . . . the right signals . . . for a firm like this. (MA/F8, Partner, Moon Accounting)</p> <p>Where you sell knowledge . . . it's very hard to take the risk on that ... I think the natural inclination, just as our clients would go to who they perceive to be the best law firms, to provide the best service, for us when we're looking to recruit . . . you're going to try to get the best. That's business sense. So naturally you would go to your old stomping grounds, the established universities, people where you've recruited from before. (GL/M2, Partner, Galaxy Law)</p>

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 Embodied  
Capital

Image is very important here. You have to be polished. You can be the cleverest person . . . but if you haven't got the right background, you are not going to fit into our culture . . . and that shows to the clients . . . (MB/F2, Senior Manager, Mars Bank)

When we've been going through the graduate recruitment process there have been examples of people saying things like, you know, "I just can't imagine him at a client dinner" . . . So being well-polished does have an impact. (PA/F4, Head of Diversity, Planet Accounting)

I don't think Moon Accounting is particularly snobbish. But yes, you do have to look the part, that's obvious, and probably sound like it too. (MA/M4, Managing Director, Moon Accounting)

Let's face it. People from various different social classes have problems . . . you get differences which might not suit talking to clients. (SA/M8, Senior Manager, Star Accounting)

One of the big questions that is asked is could you put this person in front of a client? Do they have the potential to be sort of articulate in social situations? (GL/F12, Graduate Recruitment Manager, Galaxy Law)

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 Social/  
Reputational  
Capital

If you've got a CEO of a business, he wants to be speaking to somebody who he thinks has been brought up and educated in the right way . . . That's not to say that that person is any better or worse than someone from a sort of lower social strata, who might be fifteen times more intelligent, but the CEO probably won't think that's the right person. (MB/M6, Vice President, Mars Bank)

. . . basically if . . . you don't go on skiing holidays, you're not quite in the right class . . . you don't live in the right Surrey location . . . those things whilst they might not be overt you can tell they matter to clients. . . (PA/M12, Senior Manager, Planet Accounting)

By and large getting into the firm is pretty much on merit . . . [but] if you look at where business comes from, who your contacts are, how you go about generating work, introductions etc, class plays a big part in it . . . that's life and that's business and it makes business sense. (MA/F7, Partner, Moon Accounting)

. . . because of the nature of the people who they have as their clients . . . you'll probably find a greater proportion of our people coming from a similar background . . . without that there's a risk . . . you know, of not making a connection. (SA/M7, Partner, Star Accounting)

Building new business is the hardest thing we do, and it helps if you know other people in other firms, especially banks. And that is more likely if you come from the same background, or went to the same university. (GL/M6, Partner, Galaxy Law)

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- <sup>i</sup> Successive governments in the UK have aimed to expand access to higher education, though this approach was particularly facilitated through the creation of a number of ‘new’ universities, ex-polytechnics which became universities under the Further and Higher Education Act in 1992. Today, fifty-two per cent of school leavers attend university in the UK, compared to sixteen per cent in 1989. However, a distinction remains between ‘old’ universities and new universities. The former are pre-1992 institutions which are commonly considered more prestigious than post-1992 or ‘new’ universities. The Russell Group is a formal consortium of twenty leading old universities including Oxford and Cambridge (“Oxbridge”) which is often used as shorthand for the UK’s most prestigious universities, a designation relating in part to their strong research output and higher entry requirements. Typically, Russell Group universities will require students to have 360 UCAS points (at least three A grades in their A-levels) which is achieved by one-tenth of all A-level students each year, or approximately 115,000 students. A-levels are the exams taken by students in the UK during their final year at school and are required for access to higher education.
- <sup>ii</sup> Approximately 93 per cent of children in the UK attend state-provided schools which are free of charge to students. Schools outside the state system are commonly referred to as independent, private schools or fee-paying schools and are attended by approximately seven per cent of children in the UK. Sometimes for historical reasons private schools are also referred to as public schools although this term is generally used in relation to a small set of the largest, most prestigious and oldest private schools.
- <sup>iii</sup> Law firms included Clifford Chance, Linklaters, Freshfields Bruckhaus Deringer, Allen & Overy and DLA Piper International; accountancy firms included EY, KPMG, Deloitte, PWC, BDO and Grant Thornton; investment banks included Goldman Sachs, Morgan Stanley, J.P. MorganChase, Bank of America Merrill Lynch and Deutsche Bank. Though confidentiality does not permit that we reveal their names, four of our five case study firms were included in this group.
- <sup>iv</sup> This finding reflects research conducted by market research agency Highfliers published in 2013. This focused on The Times Top 100 Graduate Employers for 2012, as identified by student votes. All five of our case study firms are included on this list. Researchers asked these organisations which universities in the UK they have been formally targeting for local graduate recruitment promotions during 2012. The results show that 43 per cent of these top employers focussing their efforts on an average of 15 or fewer universities, and that the top five universities targeted by the largest number of leading graduate employers are Warwick, Nottingham, Manchester, Cambridge and Bristol. Further information can be found at: <http://www.highfliers.co.uk/download/GMReport13.pdf>