The Recruitment and Selection of Young Managers by British Business 1930-2000

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Abbreviations

To avoid additional complexity the names of some organisations that have borne multiple names have been reduced to a single abbreviation within the text and footnotes.

AGCAS: Association of Graduate Careers Advisory Services.
AGR: Association of Graduate Recruiters
APTB: Call name of CUCS documents in the Cambridge University Archives
AR: Annual Report
BJH Documents: Papers of Bernard Holloway, Director of UMCAS (1960-1984)
CASs: University Appointment Boards, later Careers Advisory Services collectively
CSU: Central Services Unit, later The Higher Education Careers Services Unit
CUCS: Cambridge University Appointments Board; later Careers Service)
DOG: *Directory of Opportunities for Graduates*
Escritt Documents: Papers of Ewart Escritt, Secretary of OUCS (1947-1970)
Esso (in footnotes): Esso UK documents listed in bibliography
FBI: Federation of British Industry, later Confederation of British Industry. In footnotes: call name of FBI documents
Ford (in footnotes): Ford UK documents listed in bibliography
GO: *Graduate Opportunities*
HMEC: Headmasters and Headmistresses Employment Committee
HR: Human Resources
ICI (in footnotes): ICI documents listed in bibliography
IOM: British Institute of Management, later Institute of Management
ISC: Call name of PSAB/ISCO documents at Institute of Education
ISCO: Independent Schools Careers Organisation
LEA: Local Education Authority
MRG: Management Research Groups
NIIP: National Institute of Industrial Psychology
OUCS: Oxford University Appointments Committee (1892 to 1991); Oxford University Careers Service (1991 onwards).
PSAB: Public Schools Employment Bureau, later Public Schools Appointments Board, later ISCO
PSCA: Public Schools Careers Association, predecessor of PSAB
RIS documents: Papers of Robert Stokes
RSS documents: Papers of Richard Stokes
SCOEG: Standing Committee of Employers of Graduates, later AGR
SCUAS: Standing Committee of the University Appointments Services, later AGCAS
UCMDS: Unilever Companies Management Development Scheme
UGC: University Grants Committee
ULCAS: University of London Appointments Board, later Careers Service
UMCAS: University of Manchester Appointments Board, later University of Manchester and UMIST Careers Service
Unilever (in footnotes): Papers from Unilever Personnel Department, listed in bibliography

Chapter 1: Introduction

> First, and in a category of importance by itself is the *selection of men*. Nearly all my efforts to drive this home over the years have been defeated. Indifference to this vital truth and refusal to understand it or apply it are the main causes of our present distresses.[1]
>
> Sir Warren Fisher, Head of the Civil Service, in a note to Horace Wilson and the Prime Minister, 15th May 1939

The purpose of this thesis is to expand knowledge of recruitment by business in Britain, especially by considering the issue from the perspective of recruiters faced with a variety of inherent challenges. Such a project, however, must necessarily react to extensive historical and economic debates about relative decline of the British economy in the twentieth century. One major sub-theme of those debates has revolved around the thought that the deeply-rooted mechanisms, through which the country's elites were created, including education and training, might themselves be causes of decline. In the 1970s and 1980s, against a background of social and economic difficulties, various intuitions and concerns were elevated to the status of a full scale critique with a rash of monographs by historians, sociologists and others. It was claimed that 'In the age of the industrial laboratory, the chemical plant, and later of the computer, [Britain] stuck to the mental furniture of the age of steam'.[2] Others felt that 'Whatever the need, English education, because of a crippling heritage, has most trouble meeting it'.[3] Comparing British efforts with those of Germany, Japan, France and USA, Geoffrey Holland of the

[1] O'Halpin, *Head of the Civil Service* (1989), 271.
[2] David Marquand quoted in English & Kenny (eds.), *Rethinking British Decline* (2000), 119.
[3] Locke, *Management and Higher Education* (1989), 240.

Manpower Services Commission declared that 'we're not only not in the same league; we're not in the same game'.[4]

In his book *English Culture and the Decline of the Industrial Spirit*, cultural historian Martin Wiener identified the heart of the new historical project: 'The leading problem of modern British history is the explanation of economic decline'.[5] His own explanation was that the cultural values of the British middle classes were inimical to entrepreneurial business and that this bias was institutionalised within the education system. Military historian Correlli Barnett broadly agreed in his *The Collapse of British Power* and *The Audit of War*, but saw this as characteristic of a broader fabric of British 'dreams and illusions' that prevented hard-headed choices by government on national strategy and long term competitiveness, leading to 'protracted decline as an industrial nation' after the second world war.[6] In a thesis and subsequent book, Shirley Keeble explored the attitudes of industrialists to educational qualifications, and especially to business degrees, in the inter-war period and finds that, both quantitatively and qualitatively, business was surprisingly hostile to management education.[7] The result was that successive investigations highlighted British managers' low levels of education and training compared with 'their more successful counterparts'.[8] This 'produced a tradition of hands-on, reactive, short-term and pragmatic management'.[9] Other historians have identified weaknesses in the management of production, marketing, finance, and labour relations, largely because better techniques from abroad were adopted

[4] Cited in Barnett, *The Audit of War* (1986), 303.
[5] Wiener, *English Culture and the Decline of the Industrial Spirit* (1981), 1.
[6] Barnett, *The Collapse of British Power* (1972) & *The Audit of War* (1986), xi, 304.
[7] Keeble, 'University Education and Business Management', (1984) & *The Ability to Manage* (1992).
[8] Keeble, *The Ability to Manage* (1992), 1.
[9] Grint, *Management* (1995), 53.

superficially, while the 'new paradigm' of applying science to management problems was resisted. Competition was avoided rather than confronted.[10]

Robert Locke's *The End of the Practical Man* and *Management and Higher Education Since 1940* moved the critique to a more sophisticated level by linking, more explicitly and systematically, elements of technical and managerial education with the entrepreneurial performance of industry, and by extending his analysis to other countries. He identified the stubborn incumbency of uneducated 'practical men', and an irrelevantly educated upper class, as key blockages in the development of a professional management stratum that had already appeared in the USA, Germany and Japan.[11] Perhaps the most influential hypothesis amongst business historians was put forward by Alfred Chandler in his *Scale and Scope*. British firms failed to seize the opportunities of the second industrial revolution in the early 20th century, which called for massive investment into manufacturing plant, robust marketing and, above all, appropriate management structures. Consequently 'the British story provides a counterpoint – an antithesis – to the American experience'. Inefficient family capitalism persisted longer, while later attempts to catch up were too little too late.[12] Although parts of the thesis have been criticised, especially Chandler's views on corporate structures, its description of management weakness has found considerable support elsewhere.[13] Although these studies vary in their range and emphases, they share an interest in the role of human

[10] Hollinghurst, 'Management Education Factors' (1997); Delbridge & Lowe, 'British Manufacturing in Perspective' (1998), 12-15; Oulton, *Labour Productivity and Foreign Ownership* (1998).
[11] Locke, *The End of the Practical Man* (1984).
[12] Chandler, *Scale and Scope* (1990), 235 & 242.
[13] Hannah, 'Business Development and Economic Structure' (1976), 3-12; Hannah, *The Rise of the Corporate Economy* (1983), 88ff; Wilson, 'Management Education in Britain' (1996), 134-5; Handy et al, *Making Managers* (1988).

resources, sometimes equating the role of human capital accumulation in the 20th century to physical capital accumulation in the 19th.[14]

A subsidiary question, therefore, is why British management was apparently so resistant to beneficial change in its behaviours and attitudes to education.[15] 'What did you do when private enterprise simply refused to display enterprise?'[16] One frequent explanation is that links between social and economic structures had created a 'societal specific system' in which 'a leading suspect in the search for the guilty party...was a social order educated through the public schools and Oxbridge'.[17] The social elite largely chose to avoid low-status business activities whilst much real talent elsewhere was buried for lack of access to education and opportunity. 'La carrière ouverte aux talents' may have been one of the prime goals of social reform since the 19th century, but social mobility remained limited.[18] Britain, therefore, presented a confirmation of Vilfredo Pareto's ideas about the prejudicial effects of restricted "Circulation of the elite". The lack of meritocracy 'may have the effect of considerably increasing the number of degenerate elements within the classes still possessing power… [because] the elite, in recruiting itself, chose subjects of increasingly mediocre calibre'.[19] The price of a conservative society was a backward economy.[20]

This critique, then, claims to link the backgrounds and education of managers with weak corporate performance and consequent national economic decline. I will argue in this thesis that this critique is flawed on both conceptual and empirical grounds, and has

[14] Goldin, *How America Graduated from High School* (1994), i.
[15] Keeble, *The Ability to Manage* (1992), 4-6.
[16] Barnett, *The Collapse of British Power* (1972), 492.
[17] Rubery, 'The British Production Regime' (1994), 335-354; Grint, *Management* (1995), 54.
[18] Young, *The Rise of the Meritocracy* (1994), xiii.
[19] cited in Bousquet, 'Pareto and Socialism' (1994), 38.
[20] Hassler & Mora, *IQ, Social Mobility and Growth* (1998), 4 & 27.

led to misleading characterisations of business people. Equally importantly, it has obscured the real role of recruitment within economic and business history.

In the remainder of this chapter, I shall: briefly outline the list of accusations regarding recruitment practices; describe the methodological and other reasons for reconsidering both concepts and evidence of the conventional view; offer an alternative basis for judging success or failure in this area and describe the approach taken by the rest of the thesis.

1.1 The Critique of Business Recruitment

Given the huge literature on 'decline', and the variety of approaches, it is inevitable that (a) not all points can be found in any single source and (b) interpretations can vary in matters of detail and emphasis. Nonetheless, each theme has been sufficiently repeated to have become familiar.

Proponents of the critique, supported by surveys of senior managers, argue that British managers were much less likely to have university training than those from the USA, Germany, Japan and France.[21] This reveals, claims Aldcroft, a 'deep-rooted prejudice against university graduates on the part of British management'.[22] It is said that such qualifications as were obtained were often of little vocational value. Engineering and management studies were under-represented compared with, say, German practice.[23] Instead universities were 'a nursery for gentlemen, statesmen and

[21] Hannah, *The Rise of the Corporate Economy* (1983), 88.
[22] Aldcroft, *Education, Training and Economic Performance* (1992), 76.
[23] Stewart et al, *Managing in Britain and Germany* (1994), 158.

administrators' and so 'the university and the business and industrial community always treat each other with indifference, if not distrust and hostility'.[24] Attempts to launch business studies courses in modernising universities were largely ignored by business that preferred humanities graduates from the old universities, especially 'Oxbridge'.[25] Pure science degrees and accountancy articles were more keenly pursued in the UK, but they offered little advantage for industrial management.

If attitudes towards higher vocational qualifications were cool, recruiters were much more enthusiastic towards identifying broader but more intangible qualities in candidates. This started with a 'social Darwinist' interest in innate ability.[26] The range of other qualities sought, like 'leadership', 'character' and 'communication skills', were not only vague and frequently contradictory, but often appeared as an encapsulation of a middle class 'invisible cultural code', involving elite conceptions of interests, speech, dress and appearance.[27] Qualities were 'gendered' even despite ostensibly neutral methods from the 1970s.[28]

The rigour and fairness of recruitment have been questioned: whereas in the USA 'nepotism had a pejorative connotation ... in [pre-war] Britain it was an accepted way of life' and so many junior management jobs were not open to the unconnected.[29] The informality of selection for jobs nominally open to all ensured that pre-screening, interviews and other selection devices produced a disproportionate wastage amongst candidates who were not middle class and male. Selection 'boils down to a "gut feeling"

[24] Ashby, Locke cited in Chandler, *Scale and Scope* (1990), 293.
[25] Barnett, *The Audit of War* (1986); Keeble, *The Ability to Manage* (1992), ch.5.
[26] Brown & Scase, *Higher Education and Corporate Realities* (1994), 127; Glover et al 'Engineering our Future Again' (1998), 202.
[27] Brown & Scase, *Higher Education and Corporate Realities* (1994), 12, 23.
[28] Rubin, 'Selecting Gender' (1995).
[29] Chandler, *Scale and Scope* (1990), 292.

of mutual compatibility' and firms selected for acceptability not suitability.[30] Thus unequal opportunities were made systematic by 'deliberate class patronage'.[31]

These processes brought about a high degree of social closure of senior management who are drawn, in Giddens' phrase, from 'a narrow background of economic privilege'.[32] Despite this, the supply of graduates was constrained by the indifference of the middle classes towards business in general and industry in particular, except where some kind of family connection existed.[33] Consequently, any rise in graduates entering business 'occurred more out of necessity than choice' with the Civil Service and professions being preferred.[34] Consequently, business tended to be entered by the less talented.

Critics claim that the same suspicion of formal education by business was visible in the limited and substandard training provided for potential and serving managers. Efforts in this direction before the war had been limited: no more than a dozen British industrial firms had management training schemes by the end of the 1930s.[35] The post-war period saw dabbling with methods used abroad, but this was concentrated in a few top tier firms.[36]

Many firms seemed to have little faith in their ability to distinguish quality even amongst their existing staff. One long-term recruiter of arts and science graduates, British American Tobacco, admitted to its 'policy of despair' in 1965, claiming that the more they examined the problem of what makes a good manager, the more they had to

[30] Brown & Scase, *Higher Education and Corporate Realities* (1994), 142.
[31] Quail, 'From Personal Patronage to Public School Privilege' (1998), 10; Rubin, 'Selecting Gender' (1995), 6, 12.
[32] Cited in Poole et al, *Managers in Focus* (1981), 41; Lee, *Who Gets to the Top?* (1981), 142.
[33] Galloway, 'Working-Class Honours' (1990).
[34] Wiener, *English Culture and the Decline of the Industrial Spirit* (1981), 132-3.
[35] Hannah, *The Rise of the Corporate Economy* (1983), 88.
[36] Handy et al, *Making Managers* (1988).

admit that they did not know. They had no method of assessing how good a manager was, and did not even know what their managers did in detail. So comparing managers was like trying to find the difference in weight between different banknotes by weighing them on two trucks.[37] One study of recruitment found that '…a lot of large scale recruitment involves traditional views, idiosyncratic prejudices and anecdotal evidence about appropriate targets', reflecting the 'indifference and inconsistency' of recruiters.[38]

On all of the dimensions above, British performance is said to have been distinctly worse than that of competitors abroad. The system was elitist, but its elitism was marked only by being 'ineffectual'.[39] The deficiencies could not be excused on grounds of ignorance as various governmental commissions and study groups repeatedly identified them. Best practice methods were, 'due to a variety of economic, political and – not least – cultural reasons adopted...very belatedly or not at all'.[40] In the absence of robust corrective action from the state, business was, therefore, doomed to failure.

1.2 Criticisms of the Critique

The critique rests on evidence that may be organised to suggest certain plausible hypotheses but those hypotheses have been checked insufficiently for their real correspondence with extant data. Locke, who shares the view of a link between education and business performance, complains that previous supporters of this view have nonetheless made insufficient effort to demonstrate it, or to make cross-border

[37] Brolly, 'The Criterion Problem in Selection and Guidance' (1965), 89-91.
[38] Harvey et al, *Graduates Work* (1997), 54, 6-7.
[39] Quail, 'From Personal Patronage to Public School Privilege' (1998), 10.
[40] Kipping, 'British Economic Decline: Blame it on the Consultants?' (1999), 23.

comparisons.[41] Criticism of the excessive role of accountants, compared with engineers, in British boards 'was never grounded on any solid theoretical or empirical evidence...', and depended on simplistic comparisons with Germany and Japan.[42] Instead, 'Surprisingly little is known about whether generalists make "better" managers than do specialists'.[43] Likewise, where claims of procedural bias in favour of public school boys and Oxbridge graduates in the Army and Civil Service respectively have been analysed more deeply than just noting a statistical over-representation they have not stood up well.[44] The view that business suffered from a graduate preference for more prestigious government positions is prevalent. Yet anecdotes of graduates turning down the Civil Service for private business also exist, including a future head of the Metal Box Company and two previous heads of the Conservative Party.[45]

Part of the problem of linking recruitment and economic effects is that the number of potential influences on organisational and national economic performance is large, while the criterion of performance is typically hard to measure. A contributing factor is simply the great length of time over which interventions in human resources can produce results – we may only know whether a selection process has succeeded in identifying leadership potential twenty years later, for example – yet few researchers are likely to have the opportunity to follow up after such a time. In addition, over such periods records are destroyed, definitions change, a high proportion of employees leave, and firms merge or go bankrupt. Few companies are likely to welcome the idea of a genuine

[41] Locke, *The End of the Practical Man* (1984), 2.
[42] Glover, 'British Management and British History' (1999), 123, 127-8; Matthews, 'Accountants vs Engineers' (1999), 99; Shaw, 'Engineers in the Boardroom' (1995), 161.
[43] Gunz, 'The Structure of Managerial Careers' (1986), 28.
[44] Dobson, 'The Selection of Male British Army Officers' (1991); Barberis, 'Permanent Secretaries in the British Civil Service' (1989), 566; Parliamentary Papers 1968/9, *Committee of Enquiry into Method 2* (1969).
[45] e.g. AVT Dean, in Dunsmore, *Remember Your First Job?* (1992), 28; Reader, *Imperial Chemical Industries* (2 Vols., 1975), ii, 75; Heath, *The Course of My Life* (1998); Nadler, *William Hague* (2000).

experiment in selecting managers, because of resource and confidentiality issues, but also because there is insufficient slack to accept and not redress the degrees of variation in results that researchers would hope to find.

Lacking experimental data, conclusions regarding long-term causal factors in the areas of education, training, careers guidance, and selection are made difficult by a dependence on statistical inference which can be sensitive to assumptions that are themselves unstable. Whilst they can potentially provide rigorous results, even notionally integrative tools such as meta-analysis necessarily exclude large amounts of relevant information which can be of use to historians. The pursuit of rigour can also tend to the use of simplistic proxies. Insofar as international comparisons are involved, definitions and conceptions differ, while data availability and reliability vary.[46] Indeed, Locke complains that some attempts at comparing management qualifications can be partial and essentially 'meaningless' due to varying statistical organisation.[47]

The result of these difficulties is uncertainty. In plotting the relationship between educational qualifications and economic growth, the OECD warn us in a review of evidence of the 'sheer complexity of education's economic role', while a strong critic of British management nonetheless admits to the 'fragile calculations', and 'heroic assumptions' involved in trying to show the link.[48] Tayeb claims that the current literature is 'largely uninformative' as to whether management development activities really produce effects and, if so, how much.[49] Killeen considers it 'very striking how little we know of economic effects' of careers guidance and education.[50] Similar

[46] e.g. Vernon, *Work Organisations* (2001).
[47] Locke, *Management and Higher Education* (1989), 214-5.
[48] Aldcroft, *Education, Training and Economic Performance* (1992), 13-19.
[49] Tayeb, *Organisations and National Culture* (1988).
[50] Killeen, 'The Learning and Economic Outcomes of Guidance' (1996), 75, 88.

sentiments are heard regarding strategic human resource management.[51] While Cook started his review of selection practices assuming that their productivity effects would be 'self-evident' he found it hard to find clear evidence.[52] In the absence of evidence it is not persuasive to simply state that the link is generally believed to exist.[53]

The interpretative 'space' created by these uncertainties has meant that on any given detail of the critique one finds contradictory conclusions, even where the fundamental position was that British business is at fault. So, contrary to the conclusion that the middle classes/management were anti-intellectual and obsessed with character, public schools are also condemned for the 'narrow academic nature' of their curriculum, while managers are seen as fixated by educational certificates and purely 'right-brain' qualities.[54]

Explanatory contradictions also appear when one asks what British business should have done differently. One major grouping of critics argued for American-style formal management education, relevant for all organisations. On the other hand, another set of critics, the 'Department of Industry' group in the 1970s, were hostile to the universalist pretensions of 'scientism, professionalism and managerialism' of this management education lobby, and hoped for a specific focus on the problems of manufacturing.[55] Aldcroft cites Horowitz to claim that, around 1980, British industry suffered from ineffective decision-making by management due to excessive decentralisation compared

[51] Cook, *Personnel Selection* (1998), 290.
[52] Ibid, ix.
[53] IMS, *Competition and Competence* (1984), iv.
[54] Dennison, *Choice in Education* (1984), 38; Rubie, *Round Pegs* (1935), 99-100; e.g. Claxton, *Hare Brain, Tortoise Mind* (1997); Goleman, *Emotional Intelligence* (1995); Cooper & Sawaf, *Executive EQ* (1997).
[55] Glover, 'British Management and British History' (1999), 125; Fores & Glover, *Manufacturing and Management* (1978), 2; Lee & Smith, *Engineers and Management* (1992), ch.3.

with more competitive German firms.[56] Locke, however, using data from the same period, berates British companies for their inappropriate emphasis on central staffs, which undermined the confidence of line managers.[57] A final point of latent conflict, scarcely mentioned, is how trade-offs should be made if claims to promote opportunities amongst 'disadvantaged' groups conflict with the requirements of 'national efficiency'. Authors such as Barnett clearly choose the efficiency option at the expense of 'New Jerusalem'; many from the sociological tradition might be more concerned with the 'hidden injuries of class' than efficiency concerns.

Given the prominence of organisations within social and economic life, one might imagine an important contribution by academics and other theorists in guiding practitioners through these various dilemmas. Until the 1920s in both Britain and America it was still true that 'the significance of the quality of leadership in the industrial organisation has been neglected'.[58] In Britain, early activity appeared in the form of a committee formed in 1926 to investigate the psychological make-up of higher business executives under the auspices of the National Institute for Industrial Psychology (NIIP).[59] The NIIP also did work on the selection of engineering apprentices from 1923, and tests of potential for junior managers from 1929 for companies like Imperial Airways who created an early management training scheme in the mid-1930s.[60] Not long afterwards Sir Will Spens chaired a committee linked to the Cambridge University Appointments Board which surveyed hundreds of companies regarding the

[56] Aldcroft, *Education, Training and Economic Performance* (1992), 117.
[57] Locke, *Management and Higher Education* (1989), 271ff.
[58] Viteles, *Industrial Psychology* (1933), 613.
[59] *The Journal of Careers*, Vol. VI, No.63 (April 1927), 5.
[60] Welch & Myers, *Ten Years of Industrial Psychology* (1933), 71, 74; PRO CSC 5/385 Notes by PW 19/12/1942.

qualities they sought in graduates joining them.[61] However, the real starting point for research on this area was the war and the post-war period saw a surge in efforts by government, business and academia, and the whole area of management studies has produced a great volume of work, with the topic of leadership alone generating perhaps 10,000 bibliographical references for Stodgill's handbook of leadership by 1987.[62] However, the level of guidance that theory can provide recruitment practitioners has been limited by discordance and agnosticism.

Management studies have been split for decades between those who see managers as rational Taylorians applying management science and those who see managerial competence as more spontaneous and intuitive.[63] If one considers the chief requirement of modern business as, in Hilary Marquand's words, 'research and the application of research, scientific and economic, rather than entrepreneuring' as the chief requirement of modern business, then the specification for potential managers will tend towards the academic and bureaucratic.[64] Behind that, multiple different conceptions of the links between strategy, organisation and leadership each suggest different views of what recruiters might seek.[65] Over time, different schools of thought about leadership have waxed and waned, e.g. transactional and contingency theories were in their heyday between 1950 and 1970, 'empirical' and 'charismatic/transformational' leadership from the late 1970s onwards.[66]

Lurking behind these debates about what managers should be doing are differences of opinion about what they really are and do. So it has been pointed out that 'having the

[61] Spens, *University Education and Business* (1946).
[62] Fiedler & House, 'Leadership Theory and Research' (1988), 82-3.
[63] Sternberg et al, *Practical Intelligence* (2000), 65, 74.
[64] Urwick, *Management of Tomorrow* (1933), 177.
[65] Mintzberg et al, *Strategy Safari* (1998), 358-9.
[66] Fiedler & House, 'Leadership Theory and Research' (1988), 73.

word manager in one's job title does not necessarily mean that the person is a manager' and that management is 'not a single occupation, and it is not a set of occupations in a single career'.[67] Investigations of managerial time use have suggested that managers' normal work is primarily informal and fragmentary, rather than necessarily about the tasks identified by pioneers of management theory like Fayol – planning, organizing, controlling etc.[68]

This multiplicity of perspectives means that companies have received little consistent advice on dividing their energy and resources between initial recruitment and training. However, at the time from the 1940s onwards, when businesses in Britain became more interested in managerial recruitment, the academic world was becoming increasingly dismissive of attempts to prioritise and measure traits of potential managers.

Trying to establish robust generalisations for managerial positions is challenging, by virtue of the great variety of such jobs within firms, between firms from the same industry, and between industries. However, as the number of academic researchers working on the area of leadership and management qualities expanded, so initial expectations of identifying criteria relevant for all managers retreated. In the immediate post-war period the Dean of the School of Business at Columbia University wondered 'What qualifications make for competence in the careers for which we train?' and concluded that 'Frankly, I do not know and I can think of no-one who does'.[69] The chances of advancing beyond this ignorance may have seemed low in 1945 when Rees concluded that 'leadership is not a single quality possessed by some and not by others

[67] Christison, 'Management Training and Development' (1992), 11; Gunz, 'The Structure of Managerial Careers' (1986), 4-7.
[68] Mintzberg, *The Nature of Managerial Work* (1973); Stewart, *The Reality of Management* (1963).
[69] Gordon & Howell, *Higher Education for Business* (1959), 75.

but is a way of describing the effectiveness of an individual in a specific role, within a specific group united for a particular purpose'.[70] Thirty years later, his successors argued no less strongly for the inability of theory to offer useful generalisations about management qualities except in very circumscribed situations, and warned against the 'The Leadership Myth' whereby certain universal relationships might be assumed as existing between leader, those led and the situation.[71] Naturally, if there were no relationships to be discovered, then the conclusion of Yukl and other commentators that 'most of the theories are beset with conceptual weaknesses and lack strong empirical support' was inevitable.[72] Even if there might be connections, other observers could observe that, anyway, 'The list of cognitive, inter-personal, analytical and presentational skills now deemed essential for business leadership' would deter 'all but the most determined and gifted'.[73]

Consequently, comment about business and its success or failure in recruitment can present a contradiction. Business has on the one hand been told by pessimistic theoreticians that it is supposedly faced with an inherent intractability in identifying its objective needs. On the other, it is condemned by historians for failing to pursue undefined or unproven best practice or to deliver results that are considered socially fair.

The logic of the critique appears to be that leading countries had generally similar challenges and opportunities and were competing in implementing a set of evident 'best practices' in management formation, but that some (like Britain) moved irrationally slowly. Yet the concept of comparative advantage suggests that countries ought to differentiate themselves and, economically speaking, there is no 'right' way of

[70] cited in Stone, 'The Military and Industrial Roots of Clinical Psychology in Britain' (1985), 290.
[71] ISC1/19/3/142 (1972), 9-11.
[72] Cited in Grint, *Management* (1995), 125; Higgs, *Management Development Strategy* (1988), 65.
[73] Hunt, *Financial Times* 02/12/1998, 16.

producing a given output.[74] At the same time the case can be made that real similarities in the evolution of recruitment systems and stratification have been ignored, and require explanation.[75] The emphasis placed on substantive British particularism implies that (a) national level analysis is the most relevant one, (b) like is compared with like and (c) comparisons are made critically and focus on differences in performance, not just differences in style. These conditions have not always been met.

One of the peculiarities of the critique is the selection of countries with which Britain is typically contrasted, where the United States, Germany and Japan all appear frequently. Even if all are considerably larger as economies and populations, they are all natural comparators. But the relative inattention to another competitor from various perspectives – France – has been noted by one collection of essays which attempt to redress the balance.[76] Even more surprising is the assertion of British singularity without making comparisons with other countries at all.[77]

More problematic is the way in which comparisons have been made. Storey et al, in considering previous comparisons of Japanese and British business, note that 1. Japan is often presented as a uniform monolith, ignoring variations by sector, size of company etc.; 2. Commentaries share a prime concern to find out how Japan did better; 3. The system is characterised as an ideal state rather than one with its own internal conflicts and disadvantages.[78] In considering Germany pre-1945, it has been noted that differences from the British case have been exaggerated, 'fables' presented and

[74] Shackleton, *Training Too Much?* (1992).
[75] McGuffie, *Working in Metal* (1985), viii; Kaelble, 'Changes in the Recruitment of the Business Elite' (1980), 420; Watts, 'International Perspectives' (1996), 370ff; Cassis, 'Big Business in Britain and France' (1995), 223-5.
[76] Cassis et al, *Management and Business in Britain and France* (1995), introduction.
[77] Remarked upon in Davenport-Hines & Jones, *The End of Insularity* (1988), 3; Gamble, 'Theories and Explanations of British Decline' (2000), 11; Watts, 'International Perspectives' (1996), 366.
[78] Storey et al, *Managers in the Making* (1997), 3.

similarities ignored.[79] Perhaps this explains the 'particular and sometimes embarrassing admiration of the German educational system' observed by some German sources in British analysts.[80] Despite the frequency of the accusation that British graduates avoided industry there are, to my knowledge, no attempts at comparing destinations of graduates across countries. Notwithstanding the important role given to the negative effects of private schools in Britain, their larger preponderance in other countries seems scarcely to register.[81]

Decline is often written about as a single issue with roots extending across 150 years. However, most historical work, for example that of Chandler, Wiener, Hannah, Keeble and Quail, appears to apply almost exclusively to the period up to 1939. Whereas the economic gloom in the period 1970-1985 demanded explanations for grand failure, the subsequent, if partial, recovery of fortunes implies reconsideration of British strengths and weaknesses. As it became harder to dismiss signs of success as an 'accidental and short-lived boom', so the perception grew that economic decline was not 'absolute, inevitable and irretrievable'.[82] Some commentators took to considering the idea of an overall economic recovery, even a 'renaissance'.[83] It has also been noted that, even as exports from Britain as a proportion of those internationally fell, the proportion of sales made by British-managed companies has remained fairly constant, suggesting that production was moved elsewhere for reasons not associated with management competence.[84]

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[79] Sanderson, *Education and Economic Decline* (1999), 34-5.
[80] Eberwein & Tholen, *Euro-Manager or Splendid Isolation?* (1993), 56.
[81] Dennison, *Choice in Education* (1984), 69; Walford, *Private Schools in Ten Countries* (1989).
[82] Ainley, *Class & Skill* (1993), 87; Jeremy, *A Business History of Britain* (1998), vii.
[83] Ferry, *The British Renaissance* (1993); Clutterbuck & Crainer, *The Decline and Rise of British Industry* (1988); Glover et al 'Engineering our Future Again' (1998).
[84] Jones, *British Multinationals and British 'Management Failure'* (1993).

These changes have affected academic activity too and it was predicted that '...the discourse of decline seems likely to fade away' as economic conditions improved.[85] That has been hastened by revisionists challenging some of the hypotheses, for example on the role of the public schools.[86] Many of the key protagonists of the decline debates of the 1970s and 1980s have nuanced their positions on elements of the critique in recent years.[87] That being so, the question of whether it is worthwhile to re-examine anew a controversy that blazed a generation ago is reasonable and inevitable. The reasons for doing so are threefold. Despite revisions to some of the contentious claims listed above, many aspects remain unexamined and are potentially erroneous. Consequently, suspicions regarding managerial recruitment and training have lingered longer than more strictly economic aspects of the declinist view.[88] Interest in matters of education, class and recruitment remains high and clarity is obstructed by ignorance in this area.

More crucially, a false sense of consensus in the area of recruitment has hidden the actual lack of knowledge about it. The aim of the critique, to explain economic decline by finding faults with the *outputs* of management recruitment, has meant that the *processes* of recruitment have been mostly treated as a black box. This not only ensures that the force of the critique is bound to indirect inference, trying to deduce useful information about initial recruitment from managerial attributes decades later, but means that it offers no insight at all into the development of a market that is interesting and important in its own right. As it has been said in an American context, 'we know virtually nothing about how employers actually recruit, why they choose to recruit that

[85] Gamble, 'Theories and Explanations of British Decline' (2000), 19.
[86] Rubinstein, *Capitalism, Culture and Decline* (1993).
[87] See English & Kenny (eds.), *Rethinking British Decline* (2000), 32.
[88] Robinson in Shackleton, *Training Too Much?* (1992), 7.

way, what they hope to accomplish through recruitment, and whether they actually accomplish these goals'.[89]

Instead certain plausible assumptions and proxies have been simplistically raised to the level of axioms and business performance then measured against them. The supply of qualifications has been regarded as an unqualified good that should inspire a positive reaction of the demand side, that being presumed to be unconstrained by direct or search costs. This bias is found within economics too.[90] In fact, defining demand and finding means by which to pursue it is a complex and expensive undertaking that deserves more than cursory attention, as do the complex set of interactions between supply and demand.[91] The subjects of recruitment, the candidates, are treated as ciphers, a simplification adopted by neo-classical economists and left-of-centre sociologists alike. They are reduced to an educational level and paternal occupation, leaving aside the aspirations, personality and values with which recruiters are actually confronted.[92]

Vocationalism of qualifications is treated as inherently superior, and this encourages Aldcroft to refer to the 'sub-optimal output mix', and Locke of a 'misuse of educational resources', in Britain, as if their preferences were supported by theory and evidence.[93] Even enthusiasts for manpower planning have become more circumspect in offering normative indications.[94] Likewise, economists of skills and education have called for a 'more complex theorisation of skills formation and skills utilisation' to

[89] Rynes & Boudreau, 'College Recruiting' (1986), 730.
[90] Green & Sakamoto, *Skills in National Competition Strategies* (2000), 75; Hogarth & Wilson, *The Demand for Skills in England* (2002), 3.
[91] Greenaway & Williams, *Change in Graduate Employment* (1973), 62.
[92] Brown & Scase, *Higher Education and Corporate Realities* (1994), 89ff.
[93] Aldcroft, *Education, Training and Economic Performance* (1992), 86; Locke, *Management and Higher Education* (1989), 214.
[94] Blaug et al, *Educated Manpower in Industry* (1967), 83.

understand British competitiveness.[95] Such poverty of useful theory has also been noted in the area of job search as well, where, thirty years after the area developed, theory remains largely untested and distant from reality.[96]

Stocks and flows have been loosely approximated, with higher education 'inputs' such as numbers of students studying for degrees being used as a measure of educational 'output' between countries, despite the fact that varying degree length and drop-out rates make this a questionable procedure, especially in the British case. This has led to distortions and erroneous conclusions in assessing management qualifications within cohorts.[97]

Vague cultural explanations have been offered long before possible functional possibilities have been fully explored or exhausted, even if economic historians have tended to be less sweeping.[98] One of the most detailed extant studies of managerial career paths within individual companies concludes that rather than seeing generalist/specialist recruitment choices by firms as a 'sinister plot carried out by a particular elite', analysts need first to consider organisational sector and structure.[99] There is considerable variation between industries and firms in their approaches, and of types of work within firms, and this creates a 'kaleidoscope' of interacting markets for observers to consider.[100] So whereas it might once have been claimed that 'social class origins determine careers in management, that the "old school tie" is absolutely basic for a successful career in management, that a degree is vital for achievement in the modern

[95] Green & Sakamoto, *Skills in National Competition Strategies* (2000), 67.
[96] Granovetter, *Getting a Job* (1995), 141-2.
[97] Stewart et al, *Social Stratification and Occupation* (1980).
[98] Toms & Wilson, 'The Evolution of British Business?' (2001), 22; Rubinstein, *Capitalism, Culture and Decline* (1993), 16, 23.
[99] Gunz, 'The Structure of Managerial Careers' (1986), iii & 359, 362.
[100] e.g. Blaug, *The Economics of Education* (1987), vii & 139.

era, and that the rapid changing of jobs is a key to the highest ranks of an administrative career', now managerial careers are more likely to be treated as 'complex phenomena that require sophisticated explanations'.[101] All-enveloping explanations are also unhelpful in defining what 'best practice' would have looked like, or in making comparisons between countries, even when done well.[102]

Perhaps most peculiarly for a critique that seeks to trace economic problems to historical roots, the critique can appear untouched by the flow of time and causality. What has been noted within business history more generally is especially true in regard to the cultural and economic influences on management recruitment – no transition processes are described by which the system may move from one state to another.[103] We may agree that nepotism and patronage were important features of pre-war recruitment, for example, but are left wondering when, not to mention how and why, they may have diminished subsequently.

The reasons for this incomplete treatment of recruitment are at least threefold. Firstly, the details of the topic fall between mainstream areas of academic interest. Even within sociology, key inter-relationships have often been neglected due to traditional specialisation.[104] Between disciplines the constraints can be even more damaging. Important work of relevance to sociologists has been done by psychologists, but scarcely used in explaining occupational differences, such that while 'sociologists have been successful in discovering many differences between classes, in lifestyle and outcomes… they have made much less progress in explaining those differences'.[105] Historians, even

[101] Poole et al, *Managers in Focus* (1981), 60.
[102] Quail, 'From Personal Patronage to Public School Privilege' (1998).
[103] Toms & Wilson, 'The Evolution of British Business?' (2001), 6.
[104] Brown & Scase, *Higher Education and Corporate Realities* (1994), 1-2.
[105] Argyle, *The Psychology of Social Class* (1994), 1.

those effectively writing on microeconomic evolution, have tended to ignore basic economic concepts such as the substitutability of factors of production.[106] Labour economists display serious scepticism about the value of vocational training that might limit historians' enthusiasm for it. Granovetter comments that research in economics and sociology still proceeds separately 'like ships passing in the night'.[107] While historians like Locke have been most interested in the *content* of education, sociologists and economists have largely focused on the *extent* of higher education.[108]

Some of the proxies and assumptions used depend, at least implicitly, on pieces of theory which risk misapplication in this area. The first is the area of the economics of education which offers up two antagonistic hypotheses about the contribution of the education system to observed differences in wages between different kinds of recruitment candidates. The best known, human capital theory, popularised by Gary Becker, suggests that education primarily develops skills which contribute to productivity, and that employers can easily perceive such gains.[109] Within the critique this often appears as an endorsement of qualifications as an absolute standard of competence, and any reluctance towards them can be categorised as irrational. Locke tells us that: 'It goes without saying that the more proficient the management in the science of business administration, the more efficient that management'.[110] Yet an important deviation between the critique and theory should be noted: human capital theory is rooted in the neo-classical tradition, whereas critics of British performance

[106] Shackleton, *Training Too Much?* (1992), 8.
[107] Granovetter, *Getting a Job* (1995), 139.
[108] Cheung, 'Meritocracy Revisited' (1997), 4, 9.
[109] Becker, *Human Capital* (1964).
[110] Locke, *The End of the Practical Man* (1984), 245.

have been ready to see corporate deviations from a simplistic standard as grounds for greater state coordination of national manpower planning.[111]

A largely unstated, but almost ever-present, assumption appears to pervade views of what philosophy should have guided recruitment, namely, a kind of highly formalised universalism expressed through public-interested bureaucracy, leading to meritocratic outcomes at company and national level. The spirit behind this is captured in comments of Ronald Dore regarding his expectation in the 1970s that long-term, and irreversible, bureaucratisation of organisations would embed and extend a non-self interested moral culture that he saw as an ideal of public service and academia.[112] Its results are expressed in the selection post-war of a class of educated technocrats that, in his history of American ability testing, Lemann calls 'Mandarins'.[113] Whilst changes in corporate recruitment did lead to an erosion of particularism and the promotion of merit, thus broadly paralleling the sociological programme of 'modernisation', companies could not, and did not, copy the priorities and procedures of governmental organisations. In particular, business did not retain an overwhelming focus on cognitive ability as measured by the educational system.

The last reason why the realities of recruitment are not considered is that historians do not appear to consider the views of the main actors involved – recruiters, careers advisers and occupational psychologists and others. This is sometimes because academics have experienced business people as unreliable witnesses, offering only 'hazy and unsubstantiated recollections of the "it-seemed-like-a-good-idea" variety'.[114]

[111] Blaug, *The Economics of Education* (1987), 64; Blaug et al, *Educated Manpower in Industry* (1967), 82.
[112] *Assessment in Education*, 192.
[113] Lemann, *The Big Test* (1999), 187.
[114] Berg, *Education and Jobs* (1971), 15, 73.

Companies have not systematically retained records useful to researchers – an issue encountered in the production of this thesis too.[115] When asked what they need from the education system they have not spoken in a coherent voice, and do not always practice what they preach.[116] Noting that businessmen may praise the tutorial system and then take a graduate from Edinburgh, Lord Percy warned in 1948 that generalisations by business 'are very unsafe'.[117] Even Milton Friedman has commented that questioning businessmen about the ingredients of their success is like asking octogenarians about the secrets of their longevity – they are ex-post rationalisations rather than a consciously followed blueprint.[118] A lack of articulateness cannot be assumed, however, to mean an absence of skill in practice.

Difficulties in obtaining data, and fitting recruitment into existing academic disciplines, cannot, however, justify the general tone of hostility and condescension often displayed towards business people in the critique literature. For example, Granick feels no need to offer evidence for his assertion that British managers would resent American-style demands for results.[119] Ian Glover acknowledges that not only was the critique 'fairly pessimistic and also wide ranging' but also contained a definite strand of 'suspicion of the capabilities and social attitudes of upper middle class English males with degrees in the humanities and pure sciences....'[120] Sometimes it seems as if managers and candidates are damned whatever they did. Keeble endorses the mainstream view of social advantages for the middle class, but then disdains reluctance by business to take graduates (almost all middle class in her period of analysis) because

[115] Blaug et al, *Educated Manpower in Industry* (1967), 82.
[116] Keeble, *The Ability to Manage* (1992), 88-9.
[117] FBI/200/F/4/65/1 (1949), 56.
[118] Shackleton, *Training Too Much?* (1992), 33.
[119] Granick, *Managerial Comparisons of Four Developed Countries* (1972), 370.
[120] Glover, 'British Management and British History' (1999), 127-8.

it would upset existing employees.[121] She praises German and Japanese businesses for their group orientation but condemns public schools and Cambridge students for their conformity and lack of individuality.[122]

Instead, the specific nature and difficulty of recruitment should be appreciated. The business literature of recruitment and selection is shot through with reaffirmations of the challenges involved and the imperfection of the tools available. 'The best any interviewer can hope to achieve is, bit by bit, to reduce the number of times he is wrong', states one ex-ICI recruiter.[123] This is because, in the words of Vernon & Parry: 'Individuals differ too widely in their tastes, talents and temperaments to be readily amenable to scientific analysis and control'.[124] Also, because the process of matching large numbers of individuals and employers is 'a rough and ready one', not one easily susceptible to maximisation in the circumstances where economic efficiency is just one of the values involved and where decisions, whilst sometimes supported, remain decentralised.[125] By necessity, business could not avoid making the vital decisions involved in recruitment even when data was incomplete, something true also of many other business decisions. In any case, individual recruitment decisions are unlikely to be life and death ones for either party – and even less so for whole markets when one employer's mistake can be another's gain.

[121] Keeble, *The Ability to Manage* (1992), 81-4.
[122] Ibid, 6, 48.
[123] Gough, *Interviewing in 26 Steps* (1978), 2.
[124] Vernon & Parry, *Personnel Selection* (1949), 11.
[125] Purcell et al, *Working Out?* (1999), 53.

1.3 Limits and Approach

To understand the appropriateness of business policies towards recruitment requires a framework which comprises both what companies might be expected to have done as well as what they actually did do. It also requires a considerable widening of the sources used until now in discussing business recruitment, including finding more about comparable practice abroad. Only then can specific criticisms listed above be reconsidered.

The focus of the study is on the selection of those young people most likely to become senior managers. Since critics of business have focused their attention on senior management formation, this is not a departure from pre-existing work. Consequently, the exclusive focus of the work is the recruitment of those young people educated to A level (and equivalent) and first degree, an unrepresentative group until at leats the 1960s. This has also been the part of the overall recruitment market where educational institutions and companies alike have had sufficient flows of people and relatively high salaries to ensure a systematic attention to the process. This implies dedicated resources and more of a paper trail, especially within careers services. The market is also comparatively standardised at this level, especially since most of the candidates have only limited means through which to differentiate themselves.

What the thesis does not do, therefore, is to address the manifold processes involved between initial entry and potentially reaching top management: induction, training, appraisal, promotion, career pattern. Those issues, and especially management education and training, have tended to receive more attention from historians. Moreover,

recruitment has economic effects at least as large of those of training.[126] One of the UK's best known writers on management development notes that, despite his reputation as a proponent of training, he had come to the conclusion that 'the statement that leaders are born and not made is at least half true and that the problems of trying to develop and train people who should not actually be in that job are almost insurmountable'[127] The relative usefulness of selection, as opposed to training, increases as the personal attributes considered are less susceptible to conscious change.[128] For example, with measured intelligence of individuals becoming relatively invariable after the adolescent years, it is not surprising that firms have an interest in selecting for trainability, amongst other things.[129] The most extensive longitudinal study of factors in workplace productivity claims that 'casting' talent into positions appropriate to 'the grooved highways of the mind' of those involved is critical.[130]

By covering the years from about 1930 to 2000 it is possible to cover periods when the market was still small and informal, through a marked post-war expansion, several economic cycles, and the period from the 1960s when the university system expanded rapidly. It also covers both what Barnett has called the 'acute' phase of industrial decline and the last two decades when the economy has both undergone major structural changes and seen a shifting economic explanandum.[131] This offers a richly varied set of circumstances during which market organisation and internal dynamics can reveal themselves.

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[126] Koch, 'Recruitment and Selection Strategies in the Firm' (1989); Schmidt & Hunter, 'The Economic Impact of Job Selection Methods' (1986).
[127] John Adair in IOM/1, 'Effective Executive Selection and Recruitment' (1985), 1.
[128] Butteriss, *Reinventing HR* (1998), 251.
[129] Gavin & Greehaus, *Selecting Potential Managers* (1969), 1; Adair in IOM/1, 'Effective Executive Selection and Recruitment' (1985), 1.
[130] Buckingham & Coffman, *First, Break All the Rules* (1999).
[131] Barnett, *The Audit of War* (1986), 294.

Recruitment has been defined as 'the process of seeking out and attempting to attract individuals in external labour markets who are capable of and interested in filling available job vacancies'.[132] The structure of the thesis follows some generic steps implied by that definition, as well as those involved in the subsequent selection stage. Describing how these steps have been implemented in practice provides the structure for the rest of the thesis. The five main processes, and their coverage within this document, are:

1. Identify core attributes sought in candidates, place those values into some kind of hierarchy and formulate a language of managerial skills to describe the various components. This is described in Chapter 2 which concludes that the three main criteria applied historically – intelligence, personality and character – have all received empirical backing. Despite minor changes in the emphasis placed on each one, and the emergence of increasingly precise vocabulary to describe them, the main feature of these criteria historically is the continuity of their significance over time.

2. Identify proxies for these core attributes. Chapter 3 describes how qualifications were used increasingly as a proxy for intelligence, making the education system into a sorting mechanism for employers. Although the proxy has always been imperfect, and has varied in usefulness over time, it has nonetheless provided a basis for stratification of entrants into the firm, with better educated young people more likely to be placed in high-flier streams. Chapter 4 considers the much more

[132] Nemecek, 'Employers' Decision-Making Structures' (1987), 19.

complex links between vocationally ‘relevant’ qualifications and employers’ recruitment attitudes. It concludes that the supposedly non-vocational character of British recruitment patterns historically has been over-stated, and that the post-war period has seen a steadily growing emphasis on generalist ability. Chapter 5 discusses the even more contentious area of proxies for personal qualities and their interactions with ascribed attributes such as gender and class. It concludes that over time collective proxies were discarded as the ability of companies to measure individual attributes improved.

3. Pursue those proxies by entering the recruitment market and collaborating with other market participants to improve the efficiency of that market. Chapter 6 describes the priorities and constraints of recruiters and their counterparts at educational institutions (‘careers services’), and the results of their collaboration in creating market institutions. It concludes that the transition away from a particularistic patronage system to a national recruitment market was carried out successfully in Britain, especially in comparison with other countries.

4. Create specific rules and tools for recruiters to use in selecting between those identified by educational and other proxies. Chapter 7 deals with the formulation of various selection methods to improve success rates beyond those available from traditional unstructured interviews. It finds that, whilst the spread of the best instruments was slow, this is understandable as long as good candidates were relatively scarce until 1970, and that obviously bad methods were generally avoided.

5. Use feedback to improve future attribute definition, proxy setting, recruitment tools, and market efficiency. Chapter 8 considers the extent to which companies have attracted a decent slice of young educated talent in the labour market, retained it over time and the extent to which this has affected the composition and performance of senior managers. It finds that business was increasingly successful in attracting young educated people to itself and in preventing premature departure. Despite the influences of many other factors, recruitment does appear to have influenced executive composition and has allowed companies to demonstrate their openness to new talent.

In the absence of existing substantive historical treatment of this topic, or best practice norms that could reasonably be applied historically, the expositional style employed in the thesis is, and needed to be, unconventional in certain respects. For each of the five aspects at least three questions need to be handled: What should a conscientious recruiter – confronted by real-world challenges, constraints and options – do? What actually happened and how did British approaches compare with those abroad? How does performance, as defined by comparing what should have been with what was, compare with the accusations made by the critique? Each requires a different style and this accounts for the eclectic mixture of analytical and narrative approaches. Chapters 2 and 7 eschew narrative to analyse debates about recruitment criteria and selection techniques in the fields of management and psychology. By contrast Chapter 6 is almost entirely narrative in approach. Other chapters mix styles. Overall the predominant tone is narrative, in line with the principal objective of describing recruitment practice. Whilst

criticisms of recruitment methods are examined with the assistance of extensive data sets, hypothesis testing in a rigorous social scientific sense is neither the main purpose nor the end result. The same result was, anyway, likely given the limitations of the data gathered to track recruitment practice, as discussed below, and the objective of providing a wide (if less precise) history of the whole market rather than a more accurate but considerably narrower quantitative analysis.

1.4 Sources

The second requirement to provide better understanding of the history of recruitment, especially on the demand side, is to identify and use new sources. Initial investigations regarding corporate archives suggested that there are serious evidential constraints on looking at management recruitment decisions within companies, since it appears that even well-organised company archives offer little on this subject, perhaps for fear of risking privacy. Likewise, historical sources (such as company or industry histories) typically offered only occasional comments on recruitment. Sources on recruitment as such tended to be either 'best practice' guides of little help on actual behaviour or punctual surveys that, perhaps inevitably, are usually incompatible with other surveys at different times. To provide an impression of activity across time, therefore, meant creating a jigsaw of evidence, combining small pieces of data on hundreds of companies that were often scarcely compatible. The overall effect is a rich but patchwork foundation for analysis and narrative.

The most important primary sources that emerged were the records of contacts with recruiters held by careers organisations of various types. Most notably these were the university careers services in Cambridge, London, Manchester and Oxford and the records of the Independent Schools Careers Organisation, all of which extensively cover the period after 1930. These were supplemented by other data from 'umbrella' organisations such as associations of recruiters and careers advisers. Those were given immediacy and context by information garnered from about fifty interviews with (mostly) retired recruiters, careers advisers and occupational psychologists, a number of whom were also able to make personal papers available. Their names and affiliations are in the bibliography.

To illustrate trends in the national recruitment market between 1930 and 2000, and to provide quantitative spine to the various qualitative sources, data was collected on the recruitment and selection practices of a rolling sample of medium and large companies. More than 6,000 data points on companies were placed into the main database, sourced as shown in Table A.1 (in Appendix 1), of which almost 5,500 refer to vacancies. Each data point: was classified (where available) by date, industry, company size and ownership; potentially offers details of job numbers, stream of entry, type of work and salary offered; potentially records requirements in terms of level and subject of qualifications. The coverage of these dimensions provided by data points collectively is shown in Table A.2. with, for example, 80% coverage of stream of entry versus just 30% with salary information. Numbers of companies included by time period is shown in Figure A.l, with fewer than one hundred in the late 1920s, but rising to about 500 in the late 1960s before declining somewhat thereafter. Figure A.2. shows the breakdown of companies by industry with the proportion of engineering companies falling from a high

initial level, and the proportion of finance and other services growing, over time. A separate, smaller, database was created to record information on the use of certain selection tools by business. Details of its composition can be found in Figure A.5.

This extensive and versatile database suffers, however, from some important features and constraints which limit the weight that can be placed on conclusions derived from it. These issues refer to the consistency and accuracy of sources, the location and extent of sample survey periods, the selection of companies, and the weighting of data from different sizes of companies.

As Table A.1 shows, most data were taken from printed and archival sources that deal with recruitment by companies at national level. However, none of the sources cover the whole period studied, and almost none cover both school leavers and graduates. Consequently, and whilst every effort was made to ensure consistent treatment and interpretation of data, data quality and accuracy can vary. For example, judging whether a company's training scheme qualifies as a management traineeship is difficult before the phrase became commonplace in the 1950s, whilst anecdotal evidence suggests that such traineeships often varied dramatically in their intentions and execution.

Data gathering concentrated on certain sample periods and it was intended that these would be broadly decennial in nature. However, allowances needed to be made for (a) the scarcity of data for any given period, (b) economic cycles and other events (especially the Second World War) that might affect comparability, and (c) the chance that companies might not appear in a source in a single year even if actually hiring. Consequently, wider bands of years were taken in earlier years; periods were chosen to avoid major recessions and the war; if a company did not appear in, say, 1970, sources

for the years 1969 and then 1968 would be inspected to see whether there was an entry. If so, then the company was considered to be recruiting in that survey period.

It should be noted that, typically, a careers directory for the year, say, 1980, would have been published in the early autumn of 1979 with estimates of company size and vacancies having been submitted at least 60 days before. Final hiring decisions, on the other hand, would probably not take place until spring of 1980. Most data points are therefore estimates, not confirmed numbers. Estimates were provided by companies with potential variations in accuracy. At a times (like the 1960s) when graduates were often in short supply, vacancies may have been exaggerated in the hope of attracting more candidates than might have been the case if more realistic declarations had been made. Also the announcement of a vacancy gives no guarantee that such a number of young people will finally be hired, due to changes in either supply of demand.

Companies were selected for inclusion in the database in order to provide an image of recruiting activities across a long period, during which the UK economy, and the corporate sector, underwent major changes in structure and composition. Making use of published lists of major companies (such as those from the London Stock Exchange Annuals) might seem an appealing solution, but proved unsatisfactory for the present exercise for several reasons: Many of the corporate entities which appear in such lists do not represent the organisational level at which recruitment took place; such a sample would overemphasise the largest, publicly listed companies, whereas many major recruiters were medium-sized and privately held or were affiliates of foreign companies. My interest in transitions to, and from, being recruiters made it useful to consider companies who, at one time or another, had been recruiters. Consequently, instead, of a

sample based on a single outside source, a series of pragmatic criteria were applied to select a rolling sample of broadly representative target companies, as follows:

- A first group of companies where initial survey work suggested that companies had existed across the whole period 1930-2000 and had recruited for many years.
- Companies known to have been important recruiters in the early period, but subsequently disappeared or withdrew from graduate recruiting.
- Companies who are currently high profile recruiters but who were probably not active until the last 20-30 years. They allowed new wave recruiters to be considered and were identified from common knowledge and from the Times 100 Top Graduate recruiters list.
- Next, where obvious ancestors and descendants of target companies had been missed initially, they were added into the database during a follow-up process.

The resulting data set is not a randomly drawn sample. On the contrary, it clearly favours recruiting companies over non-recruiters and medium and large companies over smaller entities. This seems reasonable, however, in the context where the top ten percent of large companies in 1960 Britain accounted for half of Britain's total management stock and where, in the early 1960s, firms with over 1,000 employees accounted for 93% of graduate vacancies in business.[133] The sample companies for the period around 1970 encompass 73 out of the 94 (i.e. 78%) companies invited to the first major recruiters conference the Durham conference of AGCAS in July 1968, although

[133] Statement of Principal of NCB Staff College, cited in PRO AN110/74, cutting dated 03/05/1960; UGC, *University Appointments Boards* (1964) 17.

such high-profile recruiters represent less than 20% of my sample for that period. In addition, they cover 138 out of 219 (i.e. 63%) of the companies who had enrolled as members of the newly formed graduate recruiters association (SCOEG) by December 1971. Although companies were classified by a simplified Standard Industrial Classification with 85 categories, no attempt was made to correlate their numbers with contributions to national output.

Although data on numbers of vacancies was collected, no attempt was made to weight data on recruitment. The effect is that data points referring to a small recruiter (e.g. Dexion) are treated as being of the same importance as a huge recruiter like ICI. Two simplifying principles were employed to make data input manageable. Firstly, specialised positions where only individuals, or small numbers of people, were taken were ignored. Secondly, repetition was avoided by conflating closely related categories. For example, GEC in 1970 might record needs for ten different types of engineers, all with the relevant specific qualifications. Under the system here, this would be regarded as a single data point for an engineer, requiring engineering qualifications. For all the reasons cited in the paragraphs above, the outputs of the database provide a useful series of snapshots of recruitment activity over time. It does not provide, by contrast, a sound basis for statistical testing or detailed inference.

Beyond archival materials, interviews and database sources, the dispersed nature of information on this topic meant that information gathering was both extensive and eclectic. Major concentrations of printed primary and secondary sources were in the fields of business, economic and educational history, the sociology of stratification and mobility, occupational and careers psychology, and labour economics, human resource and general management texts. Efforts were made to identify theory that would provide

an alternative framework for, and insight into, actual recruitment behaviour. Screening or signalling models of the economics of education are a notable example that forms much of the approach contained in Chapter 3.

Special efforts were made to identify sources of information on recruitment abroad and this was achieved with reasonable success in the cases of the USA, France, Germany and Japan, assisted by a visit to the USA and contacts in Germany. Unfortunately no data were identified that would have allowed the construction of a database for recruitment activities outside Britain, and so comparative trends were based almost entirely on primary printed and secondary sources. Although the main sources on British business behaviour are British, the high degree of linkages between American and British academic literatures, notably in the areas of management, economics and occupational psychology, means that some American conclusions are treated as relevant to British experience as well, although there are, of course, risks in assuming total transferability of experience.[134]

[134] Heller, 'Leadership, Decision-Making and Contingency Theory' (1973).

Chapter 2: Primary Attributes

The starting point for any recruitment effort is the definition of the qualities sought in recruits. This chapter considers how the process of definition takes place in the context of the challenges facing companies in knowing what their future needs will be. Firms have sometimes failed to approach this task consistently or systematically. However, despite the pessimism of some commentators, in practice a vocabulary of management attributes has emerged, and a core set of needs can be inferred both from criteria stated by companies and also from examining the proxies that firms have chosen when pursuing potential managerial candidates.

Recruitment and selection processes can aim to choose entrants for a specific job needing doing now on the basis of immediate competence, with success measured by stability in the role, or to find someone who has the potential to perform well in several jobs, where initial success may be measured as much in further ratings of potential, promotion, job movement and salary, as in measured job performance.[135] It has been suggested, for example, that French firms tend to look for 'ready-made' products from the educational system whereas British ones look more for potential to develop.[136]

In recruiting for managerial jobs in general, recruiters are faced with the fact that management jobs do not involve a simple and universal set of activities. Instead, beyond debates about what a manager actually is and does, profiles vary greatly by size, industry and structure of the firm involved. Even within firms expectations have varied

[135] Selection Research Group, *Studies of Selection in British Industry* (1981), 13.
[136] Begrand, 'Recruitment of Graduates and the European Issue' (1990).

enormously especially in multinationals that grew by acquisition and operated in multiple markets. The United Africa Company, one of Unilever's main marketing organisations, with its need for managers to serve primarily in Africa, never resorted to 18-year-olds who could not be sent abroad until the age of 21. Instead they were enthusiastic recruiters of graduates, especially from poorer backgrounds. They also wanted a sprinkling of more socially refined entrants as counterparts for government officials in the colonies.[137] Even within the UK, criteria differed: Crosfield's wanted mostly scientists but were not so concerned with their quality.[138] Lever Bros. wanted clever management trainees, Birds Eye focused on 'robust' types.[139] BOCM were keen to find administratively oriented A-level entrants for their animal feeds business.[140]

Against this background, firms (or their sub-units) needed to extrapolate from behaviour observed during recruitment to estimate future individual performance and the implications of that for corporate results. But direct tests of work ability are hard to produce in the intangible world of managerial work. The problems of selecting recruits for work that may be performed over long stretches of future time add a whole different dimension of uncertainty. Evidently any such decisions must be based on extrapolations from current conditions with estimates of organisational, market and personal evolution.

As regards organisational structure the then Chairman of Shell in 1969, David Barran, noted the 'inevitability' that more graduates would be employed in fewer and larger organisations, with a need for a greater number of less specialised graduates.[141] His intuition about specialisation was right, but despite the fact that the average size of

[137] APTB 14/13, Piece 113.
[138] APTB 10/6 (Joseph Watson & Co), September 1957.
[139] Martin Duffell (Interview). Short biographies of interviewees are in the bibliography.
[140] ISC1/19/4 (1962).
[141] AGCAS/5 (Conference Report 1969).

companies (by employment) recruiting graduates significantly from the 1970s including Shell itself by fifty percent. More recently, much has been said about the emergence of new career patterns linked to down-sized, de-layered, flexible and decentralised organisations.[142] However, one series of detailed case studies finds that whilst the traditional model of the managerial career has eroded, it remains in force and no alternative model can be said to have appeared.[143]

A different problem is that the skill set required of managers often change according to the level within a hierarchy. A military example is useful here.[144] Regimental officers train and lead troops into battle, and need inspirational qualities. Staff officers need administrative capabilities to ensure that troops are organised and supplied to best effect. Commanders are strategic game players translating political objectives into tactics for staff officers to implement. The three types display different personal qualities, and work from different assumptions about means and ends. However, commanders are drawn from successful staff officers who are drawn in turn from regimental officers. So some unreflective regimental types may be promoted beyond their competence into staff work, whilst men who might have been made good staff officers may be passed over for promotion. In the private sector, over-promotion is described in the Peter Principle and can be exemplified by the problem of many star commodity traders from Cargill UK who failed when they became managers.[145] Likewise, in Shell, a personality test taken in May 1997 found that 86% of senior managers were 'thinkers', who made decisions based on logic and objective analysis whereas two-thirds of their bosses who sat on the Committee of Managing Directors

[142] Harvey et al, *Graduates Work* (1997), 9-12.
[143] McGovern et al, 'The Managerial Career after Downsizing' (1998), 457.
[144] Colonel Roderick MacLeod, cited in Bond, *British Military Policy* (1980).
[145] Richard Stokes (Interview).

were ‘feelers’ who make decisions based on values and subjective evaluation. Consequently different levels could not understand each other.[146]

People as well as organisations can change over time. Some people mature faster than others and changes to key personality dimensions typically slow or cease only by age 30.[147] Likewise one study of 400 corporate high-fliers in the UK finds that self-assessed skills seem to evolve over time at different rates.[148] This raises the question of whether it is safe to make estimates of long-term potential at the age of 18 or 21

Practitioners could, anyway, be accused of only rudimentary mastery of their own needs and often little consistency. The advertising agency, J. Walter Thompson, complained in the early 1970s that they attracted too many candidates from the ‘BBC/literary/creative category’ whereas what they wanted ‘was people to run the business’ with candidates similar to those applying to large industrials. Soon after, though, careers advisers noted that JWT ‘seemed prepared to take on completely mixed up introverts’ if they could express themselves well in writing.[149] One leading figure in the careers world, Audrey Newsome, noted that employers asked for graduates to be vocationally flexible, but also to have specialised skills.[150] More recent commentators have reported that large number of employers do not know what level of qualifications is actually needed to perform jobs in their own companies and that different personnel within the same organisation can produce conflicting views of their requirements in regard to degree discipline wanted or type of work involved.[151] In 1950s America,

[146] Syrett & Lammiman, *Management Development* (1999), 42.
[147] Heatherton & Weinberger, *Can Personality Change?* (1994), 323, 327, 335.
[148] Holbeche, *High Flyers and Succession Planning* (1998), 26.
[149] OUCS/3 (JWT), file note MJD 07/07/1971 & file note by TS 11/12/1973.
[150] AGCAS/12 (Conference Report 1983), 21.
[151] McEachan, ‘The Creation of the ROGET Index’ (1986), 17; Andrews, 'Academic Qualifications and Selection Procedures' (1987), 60.

leading career researcher Eli Ginzberg reckoned that firms not only did not have a list of qualities sought, but did not even have a concept of what they wanted.[152]

An inability to make preferences explicit, however, does not mean that preferences do not exist or that they cannot be implemented successful. Chester Barnard referred in his *Organisation and Management* to 'men of ample experience, often of established reputations as leaders...[who] know how to do well what they do not know how to describe or explain'.[153] Likewise, in one bank, researchers found managers would disagree about the qualities needed in effective bank clerks. However, they agreed much more when they were asked to decide whom specifically they would take to a new bank branch.[154] There has been progress over time in articulating criteria, partly via the discipline of occupational psychology and partly through the pooling of corporate knowledge through organisations such as the Association of Graduate Recruiters (AGR). AGR first surveyed its members in 1984 to generate evidence on personal qualities sought and despite the 'inbuilt imprecision' of the work then, it has continued to produce more elaborate survey data since then, even inventing the phrase 'personal transferable skills'.[155] On the academic side, matters are not all black either: Fiedler and House reckon that fifty years of work has left fewer than a dozen empirically-based theories extant, and can cite nine solid contributions of leadership research.[156] Those contributions include several of relevance to the problems of recruitment, involving some predictors of effectiveness, of the likely importance of intellect and experience

[152] Dalton, *Men Who Manage* (1966), 151-8.
[153] Grint, *Leadership* (1997), 89.
[154] O'Neil, 'The Criterion Problem' (1965), 100.
[155] Roberts, *What Employers Look for in Their Graduate Recruits* (1985), 1; AGR, *Personal Transferable Skills* (1992), 1.
[156] Fiedler & House, 'Leadership Theory and Research' (1988), 82-3.

etc.[157] Other commentators report a renewed interest in analysing potentially useful candidate traits, primarily as a result of the 'almost complete lack of evidence for the effect of training on managers'.[158]

It is hard to describe any job but unusually so for management jobs because the skills needed can vary so much from one setting to another, with a wide range of activities internal and external, wide latitude on how to produce results, and variations by organisational level, function, company, region and country.[159] A lack of research had meant that there was no common language between business, academia and government.[160] Most studies have anyway depended on quantitative analysis of questionnaires or content analysis of advertisements which are suggestive but suffer from terminological confusion and imprecise clarification of concepts. Consequently, communications skills may mean different things to different audiences.[161] An American analysis of knowledge, skills and attributes considered in formal selection found that titles were frequently the same between instances but definitions different, or definitions similar but titles different, or titles were used without definition at all.[162] Beyond these conceptual issues are economic ones – assessing candidates on multiple criteria involves major efforts to obtain, code, update, computerise and retrieve complex data, as well as training large numbers of managers to share a common understanding of the real meaning of skill descriptions to achieve consistent decisions.[163]

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[157] Ibid, 87-8.
[158] Harrell, *Managers' Performance and Personality* (1961), 7.
[159] Campbell et al, *Managerial Behavior, Performance, and Effectiveness* (1970), 71.
[160] Bradshaw, 'Classifications and Models' (1992), 75.
[161] Harvey et al, *Graduates Work* (1997), 6; Bradshaw, 'Classifications and Models' (1992), 67.
[162] Bradshaw, 'Classifications and Models' (1992), 47.
[163] Hirsh & Bevan, *What Makes a Manager?* (1988), 3.

One approach is to ignore the problem, hire bright young people, and build jobs around the recruits as Boots claimed to do in the late 1930s.[164] Alternatively, organisations with strong cultures could depend on identifying copies of existing managers as Littlewoods did in the 1960s as it grew rapidly, or look for familiar types as practised by J.Swire, and certain law firms and investment banks in the 1970s.[165] Another strategy was to make use of parallels, as one personnel director suggested: 'Barclays Bankers have always seemed to me not all that different from civil servants, with those on the senior executive training programme as the rough equivalent of the Administration Trainees in the Civil Service' despite certain differences of environment.[166] Too much looseness, however, could create great imprecision and one experienced occupational psychologist and long-term personnel director was disturbed in the 1970s to find that no-one in Barclays could explain the appraisal title of 'attitude'.[167] A new broom in the late 1980s eased the criteria there away from generic ones of high intelligence and clubability, towards more specific ones, notably 'administrative stamina' and flexibility.[168]

However, over time, the use of explicit job and person specifications spread, partly due to the influence of Industrial Training Boards in the 1960s and 70s.[169] Over time, sources of 'skill languages' moved towards systematic sources and away from particularistic ones, with professionalized personnel departments making use of internal surveys or external consultants.[170] Moreover, the longer a skill language scheme had

[164] APTB 14/15 (Notes on lunch with EC Feiller of Boots undated - but 1937).
[165] Interviews with Julian Jenkins, Michael Day. Short biographies of interviewees are in the bibliography.
[166] BJH/4: MBA project correspondence (1986).
[167] Bernard Ungerson (Interview).
[168] Roger Ellis (Interview).
[169] Watson, 'Recruitment and Selection' (1989), 126.
[170] Hirsh & Bevan, *What Makes a Manager?* (1988), 3, 46-8.

been in use, the more likely it was to have been validated.[171] An emerging good practice solved some of the challenges of lists by using relatively short and simple lists; using specific observable behaviour not abstract ideas; combining simple skill criteria with personal and job details; harmonising language across a firm, its various levels and personnel processes; doing selection training to reinforce.

Beyond these firm-level activities there have been attempts to provide an over-arching framework for describing attributes. One attempt by the Management Charter Initiative in the late 1980s to define a common set of competences for all managers was received coolly due to problems in applying this across industries and over time.[172] However, the more generic 'competences movement', launched by David McClelland's 1973 book *Testing for Competences Rather Than Intelligence*, and reinforced by Boyatzis' *The Competent Manager* in 1982, have had wide impact, with at least three waves of competency theory and practice.[173] Competence, 'an ability that adds clear economic value to the efforts of a person on the job', focuses on what employees need to be able to do, rather than asking how or why, so largely excluding explicit knowledge or theory which may be tacit and non-articulated.[174] Early users in the UK were Pedigree Petfoods who moved their person specifications away from qualifications, knowledge and experience to more behaviour based criteria.[175] Another example was ICI's Chemical and Polymers Group, who brought in consultants to analyse competences distinguishing superior performance across three main functions. They concluded by identifying three main groups – 'distinguishing competences' sub-grouped into 'getting

[171] Ibid, 131.
[172] *Financial Times* 13/1/1989.
[173] Goleman, *Working with Emotional Intelligence* (1998), 16; Mabey & Thomson, *Achieving Management Excellence* (2000), 22; Butteriss, *Reinventing HR* (1998), 251.
[174] Green cited in Payne, *All Things to All People* (1999), 37.
[175] Stevens, 'Assessment Centres: the British Experience' (1985), 31.

results', 'thinking styles' and 'working with others'; threshold competences, which only needed to be met; functional competences for specific jobs.[176] Competences have been praised for sparking 'a great move forward in the language and definition of management competencies ... [replacing] conceptual poverty'.[177] Firms were stimulated to give more attention to the nature and changes in attribute lists so that over 70% of companies surveyed in 1988 had introduced their current lists system within the previous five years.[178] By the late 1990s, 50% of firms were using formal competencies frameworks in recruitment, and larger firms even more.[179]

The replacement of academic competence with that of a concrete focus on operational competence does not, however, imply an adequate solution to the problems of recruiting potential managers.[180] New recruits are likely to have many established skills and the principal challenge of recruiting potential managers is the extrapolation of current attributes to *future* performance, which includes assessments of motivation and other abstract notions. Secondly, full-blown competency systems can be major consumers of financial resources and expert time. To track 2,000 high-potential managers worldwide, British Petroleum formulated nine competencies each with twenty-seven underlying indicators.[181] Companies such as Hewlett Packard and Levi Strauss halted their use due to such costs.[182] More critically, according to Hirsh and Bevan, attribute vocabularies seem to operate at different levels within organisations. One kind of language may be used for short-listing and planning, i.e. discipline, grade,

[176] Bradshaw, 'Classifications and Models' (1992), 42-3.
[177] Lawrence & Edwards, *Management in Western Europe* (2000), 204.
[178] Hirsh & Bevan, *What Makes a Manager?* (1988), 28.
[179] IRS, 'Survey of Recruitment Practice' (1999), 20; IRS 'The Business of Selection' (1999), 20.
[180] Barnett, *The Limits of Competence* (1994).
[181] 'Managing Competencies', *Information Strategy* (July/August 1998), 49.
[182] Ibid, 49.

personal details and a global assessment of performance, and is more likely to exist in accessible form, albeit with low levels of precision. Another is the more multi-dimensional and formal measure used for recruitment, assessment centres and placement. A more robust and informal language may then be used to match people for specific jobs which may 'tap into the real beliefs of the organisation about differences between people which would not be publicly acknowledged in a level 2 document' and is more likely to found in line rather than personnel management. Consequently, one firm looked for 'sparkle' even if this was not a formal criterion, while another differentiated between 'gin and tonic people' for large cities/developed markets and 'bush people'.[183] It is possible, therefore, to hear that 'she performed OK against the competencies, but she's not the one for the role', as was supposedly the case for an IT position in a large financial services organisation.[184]

The net result of these various efforts, imperfect as they be, is that over time skill lists have come to have a 'family resemblance', and one may even say that within certain limits a 'national skill language' has emerged.[185] This is reflected in the similar language used by recent graduates and their managers as to what skills constitute employability.[186] That in turn suggests that, despite inherent difficulties, descriptions of skills requirements are useful for firms and candidates and have become more rigorous over time.

[183] Hirsh & Bevan, *What Makes a Manager?* (1988), 66-9.
[184] Brittain & Ryder, 'Get Complex' (1999), 48.
[185] Hirsh & Bevan, *What Makes a Manager?* (1988), 2.
[186] Knight, 'Employability in the First Graduate Job' (2002), 29.

2.1 Core Attributes

There are many attributes which companies might legitimately consider in assessing young people as potential managers and typically problems occur more with over-complexity than the opposite. In one study, a firm brainstormed no fewer than 390 possible characteristics.[187] But long lists tend to blur any sense of priority, and can confuse both recruiters and candidates.[188] The large numbers of unique lists generated by different studies only underline the difficulty of reducing attributes to manageable numbers in the context of linguistic heterodoxy and the differing purposes and contexts of specific lists.

Consider, however, one typical list:

Table 2.1 Most frequent mentions of attributes for the purposes of selection:

Clusters of qualities in skill lists	Frequency of mentions
Intellect/conceptual	42
Personal circumstances	38
Communication	38
Motivation	37
Career outlook	27
Managing people	25
Innovation	23
Personality	23
Specific skills	22
Adaptability	22
Appearance	22
Influence	22
Self-confidence	22
Judgement	21
Stability	20

Source: Harvey et al, *Graduates Work* (1997), 63.

[187] Donkin, 'The Selection Question', *Financial Times* (27/5/1998), 31.
[188] Gough, *Interviewing in 26 Steps* (1978), 5.

We may note that although some are more popular than others, there is a wide spread of attributes sought, from abstract mental ability to concrete skills, encompassing judgements of deep psychological traits such as stability to explicit features of career outlook. One may reasonably organise such a list in various ways: the authors of the study from which the table is taken differentiated between personal attributes and interactive ones. Such variety in attributes and in ways of classifying them is normal in the context where both within and between companies there are variations in needs and when for some roles minimum competence in several areas may be more important than the more focused competence of, say, a skilled worker or professional.[189] In addition, any management team is likely to require complementary skills and styles, such as those expressed in Belbin's '8 types of useful people to have in teams': 'Chairman', 'Shaper', 'Plant', 'Monitor-evaluator'; 'Company worker', 'Resource investigator'; 'Team worker'; 'Finisher'.[190]

However, despite great apparent variety of qualities, the most comprehensive recent study of management attribute lists observes their similarity in their mixture of personal attributes, knowledge and competences, almost always including something about personality and attitude, some conceptual/intellectual attributes, communications/ interpersonal skills, and aspects of managing people. Lists devoted more specifically to graduate selection focus particularly on a subset of intellectual, communication, motivational and maturity qualities.[191]

From this basis we can proceed to examine the underlying attributes sought in candidates expected to reach executive levels on a fast track. Such people are not

[189] Green et al, 'Estimating the Determinants of Supply' (2001), 418.
[190] Belbin, *Management Teams* (1981).
[191] Hirsh & Bevan, *What Makes a Manager?* (1988), 2.

typical, and a more inclusive analysis would probably need to consider a different set of attributes. The qualities considered here are inferred not only from stated criteria but also from the indirect evidence of proxies deployed by recruiters in graduate recruitment. For the purposes of this thesis, I shall discuss the characteristics expected to produce value under three broad categories: mental ability; certain non-conceptual personal qualities; character. The content and relevance of each of these is considered below.

2.1.1 Intelligence

Some of the fiercest and most public academic battles have been fought around the question of the existence and nature of a general intelligence factor ('g'). Philosopher Hilary Putnam argues that the very concept of intelligence is part of a social theory called elitism that is specific to capitalist societies.[192] Stephen Gould has been another prominent opponent.[193] However, the cumulation of evidence has strengthened the scientific consensus on key features of intelligence with over 95% of 600 leading experts in relevant fields agreeing on the importance of abstract reasoning, problem-solving ability, and the capacity to acquire knowledge.[194] New evidence from larger and more representative samples of the population confirm that measured intelligence not only correlates with other tests, e.g. of reading and maths ability and overall scholastic performance, but also provides a good predictor of reaction time to stimuli, evoked

[192] Pinker, *The Blank Slate* (2002), 149.
[193] Gould, *The Mismeasure of Man* (1997), 21.
[194] Eysenck, *Intelligence* (2000), 5, 8.

potential of brainwaves, and consumption of glucose for problem-solving, i.e. all measures directly linked to brain efficiency.[195]

Employers, however, had limited interest in the identification of 'g' and instead, in the words of a recruiters association, 'judge intellect in terms of output. In other words in how effectively the mental horsepower is transmitted to the wheels'.[196] Apart from the ability to deal with problems conceptually and abstractly, companies have sought evidence that these are coupled with volition to apply such a capacity, and ability to reason. However, insofar as the main proxies for intelligence involve a bundling of ability with evidence of sustained effort (e.g. passing exams), and since firms also gather information on practical achievement and attitudes, simple proxies for intelligence have often provided a sufficient gauge for companies. Consequently, there has been an increasing identification of ability with intelligence as tested in educational institutions.[197]

The importance of intelligence to recruiters seeking future leaders may seem obvious. However, given the general controversy in this area it is worth reporting both negative and positive considerations. In one major study of management performance the leading predictor of poor results was low mental ability.[198] The reason, perhaps, is that a certain on-going mental agility may be required to cope with changing business environments: for example in the inter-war period, Lyndall Urwick saw managers' need to control a more complex set of relationships with operating units, foreign affiliates, state regulators and local authorities, competitors and trades unions.[199] Handling the

[195] Saunders, *Unequal But Fair?* (1996), 25, Eysenck, *Intelligence* (2000), 1.
[196] Warrell, *Employers and Graduate Recruitment* (1993), 26.
[197] Woolridge, *Measuring the Mind* (1994), 4.
[198] Hollinghurst, 'Management Education Factors' (1997), 75.
[199] Urwick, *Management of Tomorrow* (1933), 3-7.

threat of economic turbulence, thought a prominent careers writer, required 'young men with keen, adaptable minds, capable of penetrative thinking'. This sentiment was echoed by the textiles conglomerate Tootal Broadhurst Lee who sought trainees 'of higher ability and calibre than they had previously had'.[200]

Empirically, defined at one digit occupational classification level, managers are a skilled group with overall skill needs across nine generic dimensions exceeded only by professionals. In particular, they are the most skilled group at numerical skills, and client handling, and notable in levels of high level communications skills, planning, literacy, and problem-solving.[201] Handling such a range of varied skills requires a high degree of mental endowment and, for this reason, the most thorough studies of the causes of management effectiveness have given a prominent role to intelligence. The long term work of Bray and Grant uncovered a 'general effectiveness' factor which correlated with management career progress and which involved above average intellectual competence.

Likewise Ghiselli's analysis of fifty years of studies found that tests of intelligence predicted management performance both in training and on-job better than they predicted for other kinds of jobs. The relationship became closer the more senior the managers involved, so that intelligence was indeed a requisite for selecting candidates who were expected to reach higher levels.[202] A large-scale study within Shell studied 6,300 managers and reconfirmed that the 'helicopter quality' identified in previous studies had the greatest power in predicting expected final position regardless of function. This involves looking at problems from a high vantage point and placing facts within their broader context, and is closely related to three other qualities – power of

[200] Hughes *Careers for Our Sons* (1934), 99, APTB 10/4 97 (Tootal Broadhurst Lee).
[201] Dickerson & Green, *The Growth and Valuation of Generic Skills* (2002), 31.
[202] Ghiselli, 'The Validity of Aptitude Tests in Personnel Selection', (1973), 461-478; also Hirsh & Bevan, *What Makes a Manager?* (1988), 83.

analysis, imagination and sense of reality. Most other possible explanators (they considered 27) were found to be irrelevant.[203]

Some analysts have seen a correlation between particular aspects of mental ability and performance, for example proposing that as roles within a management hierarchy vary by increasing spans of influence and accountability, so senior managers require greater levels of conceptual competence.[204] Alternatively, the psychologist Elliott Jaques argued that one of the primary factors determining level within an organisation is the time span over which their responsibilities operate. So a supervisor may look forward several months, a middle manager 2-4 years and senior executives up to ten years. So managers need the analytical ability to see outlines of likely problems and understand complicated relationships.[205] Consequently, 'the free market is ruled by those who are able to see and plan long-range – and the better the mind, the longer the range'.[206] On a shorter time scale, economics tell us that firms should hire people who can most easily be trained for a job; this should presumably be relevant for those named management trainees.

The relationship between intelligence and business leadership cannot be reduced to a simple correlation, however. In the USA, several studies of business school graduates concur with Marshall that 'academic success and business success have relatively little association with each other' as defined by the link between grades and title, salary or

[203] Muller, *The Search for the Qualities Essential to Advancement* (1970), 107-9.
[204] Hirsh & Bevan, *What Makes a Manager?* (1988), 17.
[205] Jaques, *Time-span Handbook* (1964).
[206] Rand, *Capitalism: The Unknown Ideal* (1967), 26.

personal satisfaction.[207] One result finds, however, that entry test scores do have predictive power, but only if combined with scores on a test of conscientiousness.[208]

The explanation for this apparent contradiction may lie in the distribution of measured intelligence by occupation. Whilst it may be true that variations of IQ *within* occupational groups are wider than variations *between* groups, standard deviations in less skilled occupations are larger than more skilled ones because there is less selection by exams there, and because some people arrive in unskilled jobs due to emotional problems or are unlucky.[209] IQ scores tend to bunch amongst those smart enough to handle the most cognitively demanding fields, and intelligence alone provides reduced power of differentiation while certain personal skills become more relevant.[210] For this reason, Stogdill, summarising the results of many management studies, found that leaders tended to be somewhat but not excessively higher in intelligence than those who were not leaders.[211]

One academic debate of relevance to business is the relationship between a general factor of intelligence and special abilities. The consensus solution amongst most psychologists is that intelligence is a hierarchy, with thousands of test items, grouped into set of factors, coalescing into the highest level of 'g'. However, below this are various special abilities all of which, however, correlate positively with IQ/'g'.[212] However, plausible arguments have been made that intelligence tests are not appropriate measures of real-world potential because they focus excessively on a specific kind of thinking, favouring those who can think (a) fast, (b) under pressure, (c) on their own,

[207] cited in Livingston, 'Myth of the Well-Educated Manager' (1971), 97.
[208] O'Reilly, 'Reengineering the MBA' (1994), 35.
[209] Eysenck, *Intelligence* (2000), 21, Berg, *Education and Jobs* (1971), 41-2.
[210] Goleman, *Working with Emotional Intelligence* (1998), 20.
[211] Stogdill, *Handbook of Leadership* (1974), 145.
[212] Eysenck, *Intelligence* (2000), 22-4, 107.

about (d) abstract, impersonal problems which are (e) clearly defined, have (f) a single answer and have (g) been formulated by unknown other people.[213] Whilst some business problems do occur under some of these circumstances, many do not, and so the challenges to the consensus approach might be attractive to firms.

One well-known foray is Howard Gardner's theory of multiple intelligences, involving not only the traditional verbal and mathematical-logical ones which intelligence tests focus on, but also spatial, musical, inter-personal, intra-psychical and kinaesthetic ones. However, even other sceptics about singular intelligence give him short shrift, since his seven intelligences are arbitrary, are not demonstrated to be independent statistically of each other, and his evidence is largely anecdotal.[214]

A more substantial attempt is provided by Sternberg's concept of practical intelligence which focuses on tacit knowledge and is defined as the ability to adapt to, shape and select everyday environments.[215] He claims that, unlike Thorndike's 'social intelligence' in the 1920s and the more recent 'emotional intelligence' of Goleman, practical intelligence does not overlap abstract, academic intelligence.[216] This would imply that it offers additional predictive value when combined with other measures and indeed he considers that it may offer better predictors than measures of personality, cognitive style and inter-personal orientation.[217] However, the evidence offered so far in the business sphere is thin.

One aspect of mental ability that has periodically received attention and enthusiasm within business circles is that of creativity. In the circumstances where there is a need to

[213] Claxton, *Hare Brain, Tortoise Mind* (1997), 208-9.
[214] Goleman, *Emotional Intelligence* (1995); Eysenck, *Intelligence* (2000), 108-9.
[215] Sternberg et al, *Practical Intelligence* (2000), xi.
[216] Ibid, 90-1.
[217] Ibid, 147-159.

react to changes in the business environment, the ability to generate technological and organisational innovations is a value. In one cross-national study, managers from five countries agreed that the need for being systematic was high amongst middle managers but decreased with seniority, whereas creativity grew in importance at the top.[218] A related analysis of managers receiving faster promotion found that they had less concern for rules, were less imitative and less oriented towards group discussion.[219] The proviso, however, is that the appropriate balance between what an ICI recruiter in the 1960s referred to as 'innovators' and 'optimisers' required greater absolute numbers of the latter and only a small proportion of creatives.[220] Too many creatives pursuing new 'disruptive innovation' processes and products can have unpredictable results for the organisation, sometimes successfully, but often the opposite.[221]

2.1.2 Personal Qualities

The huge vocabulary available to describe personal qualities or skills can make the enthusiasm of employers for them appear like an unlimited license for subjectivity. When the Personal Skills Unit at the University of Sheffield analysed 10,000 job advertisements in the quality press, in June 1989, it found that 50% of the sample stated a preference for specific personal skills, mentioning no fewer than 200 different skills.[222] Hirsh and Bevan's work on managerial attribute lists shows that some of the commonest items such as 'leadership', 'analytical skills', and 'judgement' fall into the grey areas

[218] Bass & Burger, *Assessment of Managers* (1979), 88.
[219] Ibid, 141.
[220] AGCAS/4 (Conference Report 1967), address by Dr DS Davies.
[221] Christensen, *The Innovator's Dilemma* (1997).
[222] Bradshaw, 'Classifications and Models' (1992), 41.

between skills, personality and intellect. What is meant by 'effective communication' can be culture and role specific; 'self-confidence' is seen by some as a skill, by others as an attribute; 'creativity' may be considered an intellectual predisposition or as part of personality. 'Balance' can be judgement or emotional stability.[223] Part of the problem is that the concept covered by the word 'skill' 'has expanded almost exponentially' to include a galaxy of soft, generic, transferable, social and interactive skills, some of which either are, or depend on, personality features, compared with the past when it tended to be equated with technical know-how and dexterity.[224]

Skill lists are questionable due to their inclusions and omissions. It has been claimed, for example, that macho competitive items (tough-mindedness, playing to win) tend to crowd out items such as learning, while supportive and nurturing qualities (tender-mindedness, playing fairly) may be neglected.[225] Other list-makers, though, are accused of focus on 'nicer' types of management skills such as 'emotional intelligence' rather than, say, deployment of fear. In some industries managers often wanted 'tough types' with resilience and 'guts', for example at Stewarts & Lloyds (steel) or William Smith (sacks).[226]

Hazy or not, the preoccupation of business with personal qualities is not new. At a 1948 conference between firms and universities, the representative of the Ministry of Labour was impressed by the emphasis of all speakers on 'the overwhelming importance [they] attach to personal qualities', whether they were talking about "initiative", "imagination", "the critical faculty", "the good man", "capacity for leadership" or just

[223] Hirsh & Bevan, *What Makes a Manager?* (1988), 35, 39.
[224] Payne, *All Things to All People* (1999), 1-2; *Janus* (September 1993), 5-6.
[225] Hirsh & Bevan, *What Makes a Manager?* (1988), 37; Bradshaw, 'Classifications and Models' (1992), 45-7.
[226] ISC1/18 06/02/1953; 29/12/1954.

"guts".[227] Ten years later PEP's studies of graduate employment noted that the focus on personal qualities was not confined to arts graduates. Employers sought, first and foremost, social skills including humour, ability to mix well (especially with the shop floor), and tact; secondly, character, by which was understood leadership, responsibility, independence, honesty and ambition and, some way behind, mental abilities including logic and power of expression.[228] It was in this context that career advisers of the time were expected to provide feedback to companies on student personalities, and to have a view on overall supply. In 1949 we find Ewart Escritt in Oxford 'rating appreciably more men in the better personality categories this year' and producing rating tables by personality level as well as by academic performance.[229]

This preoccupation is supported by studies of executives who failed to advance in their careers. One American study, in the late 1980s, of 191 top executives from Fortune 500 companies found that career problems appeared for five main reasons, none of them due to lack of technical competence. In order of importance they were poor inter-personal skills; inability to change; preoccupation with self-aggrandizement; fear of taking decisions or taking action; lack of resilience and ability to rebound from adversity. All these causes also seem to have something to do with self-esteem.[230] An international study found that 'failed' executives shared certain deficits in their ability to handle their or other people's emotions.[231] Feinstein analysed data on 6,000 people born in the UK in 1970 and, controlling for variations in cognitive achievement, found that non-cognitive factors (e.g. self-esteem, quality of peer relations) played a powerful part

[227] FBI/200/F/4/65/1 (1949), 60.
[228] PEP, *Graduates in Industry* (1957), 16.
[229] OUCS/3 (John Swire & Sons), letter Escritt to JKS 01/03/1949.
[230] Branden, *Self-Esteem at Work* (1998), 81-2.
[231] Goleman, *Working with Emotional Intelligence* (1998), 40-2.

in life and work success. By contrast, those with behaviour problems and 'learned helplessness' were markedly less successful.[232]

The response of psychologists to conceptual and linguistic confusion has been to employ factor analysis to identify which personality traits are indeed distinct and meaningful. Most notably, from 1939 onwards, Raymond Cattell identified 120 behavioural traits and reduced them systematically to sixteen (the basis for the much used 16PF – personality factors – tests from 1970), and then further reduced them down to what have become known as the 'big five' factors.[233] These cover the dimensions of neuroticism/stability; extroversion/introversion; openness to experience/incurious; agreeableness/antagonism; undirected/conscientious. This system has a high degree of overlap with other systems offering rigorous analysis of personality, such as those of Eysenck or Murray.[234]

Those personality factors are partially heritable with perhaps 40-50% of variation in a typical population tied to differences in their genes. By late adolescence/early adulthood, when selection takes place, the degree of mutability of revealed personality is low, even if introverts can consciously develop their social skills, for example. The effects this can have in recruitment can be seen in 169 candidates rejected by Rowntree Macintosh in 1977 due to 'limitations too marked to be suitable'. Martin Higham, a psychologist and long-term recruiter, distinguished three main groups: those too shy; those lacking enthusiasm; and poor communicators; only the last two groups could

[232] Knight, 'Employability in the First Graduate Job' (2002), 27.
[233] Cattell, *A Scientific Analysis of Personality* (1965).
[234] Cattell & Kline, *The Scientific Analysis of Personality* (1977), 109.

probably improve their interview performance.[235] Consequently, not all 'personal transferable skills' are strictly skills or transferable to those who lack them.[236]

This psychological approach to defining desired qualities has the effect of excluding two pet concepts that suffer from amorphousness. 'Flexibility' depends strongly on context and can mean anything from mental agility, through willingness to accept frequent geographical relocation, to the capacity of functional flexibility.[237] Likewise leadership, although the subject of intensive study, and although the second most common item used in list of managerial attributes, has tended to be used in recruitment either as a summation of other qualities or sometimes as a proxy for charisma.[238]

Apart from mental ability the most frequently mentioned attribute in most lists is that of inclinations towards, and skills in, dealing with other people. In one study of 400 UK managerial high-fliers, the quality which they believed was most in their favour was communication skill – 55% cited it.[239] Furthermore, managing people and inter-personal skills were placed third and fourth. Managers in the UK, Japan and USA see the need for sociability growing as one reaches senior level.[240] In a 1982 study Kotter found that general managers of large companies had developed a network of cooperative relationships with hundreds, even thousands of other people.[241] Not surprisingly companies have sought signs of this in potential recruits. In the mid-1960s National Westminster Bank focused its recruitment on holders of A levels and looked particularly at social interests, for it believed interest in other people was the basis of shrewdness and

[235] AGCAS/10 (Conference Report 1977), 30.
[236] Ainley, *Degrees of Difference* (1994), 8.
[237] de Grip et al, *Employability in Action* (1999), 6.
[238] Hirsh & Bevan, *What Makes a Manager?* (1988), 35, 39.
[239] Holbeche, *High Flyers and Succession Planning* (1998), 22.
[240] Bass & Burger, *Assessment of Managers* (1979), 139.
[241] Gunz, 'The Structure of Managerial Careers' (1986), 22, 26.

that entrants needed 'social mobility' (i.e. flexibility of approach) to deal with all classes.[242]

Perhaps surprisingly, however, 63% of 103 chief executives in 1971 from three countries claimed to be introverted, just 29% extrovert.[243] Moreover, managers can be overly extrovert or charismatic: Collins argues that 'Quiet, workmanlike, stoic leaders bring about the big transformations', while Tosi has shown that charismatic CEOs do not produce better performance but tend to get higher pay, at a cost to shareholders.[244]

A set of qualities that has received considerable academic and popular attention in recent years are those often grouped under the title of 'Emotional Intelligence' (EI). They have been synthesised as five skills, namely self-awareness, self-regulation, self-motivation, empathy and social skills, and have also been referred to as equivalent to growth in maturity or as character.[245] The claim has been made that EI counts for more than IQ or expertise in determining who excels at any job, and for outstanding leadership 'it counts for almost everything'.[246] It has also been said that it provides the basis for character since emotions provide the activating energy for ethical values like trust, integrity, empathy, resilience and credibility, and social capital.[247]

Goleman offers evidence that companies internationally have consequently built measures of EI into their competence models, indeed that emotional factors predominate, and that this dimension is predictive of business success.[248] An international study identified a relationship between rapid promotion and good scores on

[242] ISC1/19/3/113 (1965).
[243] Copeman, *The Chief Executive and Business Growth* (1971), 28.
[244] 'Bosses for Sale', *Economist* (05/10/2002), 74, and 'The Curse of Charisma', *Economist* (07/09/2002), 76.
[245] Goleman, *Working with Emotional Intelligence* (1998), 7, (1995), 36.
[246] Ibid, 7; Goleman, *Emotional Intelligence* (1995), 13.
[247] Cooper & Sawaf, *Executive EQ* (1997), xi.
[248] Goleman, *Working with Emotional Intelligence* (1998), 17, 31, 33; Goleman, *Emotional Intelligence* (1995), 161.

self-assessed self-understanding and inter-personal skills.[249] In the UK, Higgs and Dulewicz found correlations between EI and business success, claiming it had more impact than IQ, although most successful were those people with both high intelligence and EI.[250]

There are, however, problems with this concept. Firstly, Goleman admits that the different elements are not correlated and so EI cannot be considered as a single factor – instead it represents a loose cluster of items joined by the word 'emotional'.[251] This has created uncertainty as to what is really meant and, according to one of the originators of EI, led to inappropriate tools promoting 'the totalitarianism of extroversion, niceness and polite behaviour'.[252] In Cattelian terms it most clearly relates to the dimension of neuroticism.[253] Anyway, not all organisations may seek perfectly balanced entrants – it is said of recruiters for Procter & Gamble that they looked for compulsive people to ensure fit, and that a company-financed study had found that 40% of mid-level managers and above came from dysfunctional families and had controlling personalities.[254]

A related issue has been the role of self-esteem. It is clear that significant lack of self-esteem can be linked to unemployment, low earnings in males, depression, suicide, failure to respond to social influence, and inability to sustain close relationships.[255] But low-self-esteemers are *not* more likely to fail academically, commit crimes or use drugs. The causality of these correlations is only partly understood. However, insofar as self-esteem does seem to be linked to a need for achievement, and high self-esteemers will

[249] Bass & Burger, *Assessment of Managers* (1979), 141.
[250] Higgs & Dulewicz, *Making Sense of Emotional Intelligence* (2002).
[251] Eysenck, *Intelligence* (2000), 109.
[252] People Management 28/10/1999.
[253] Eysenck, *Intelligence* (2000), 110.
[254] Swasy, *Soap Opera* (1993), 17.
[255] Emler, *Self-esteem* (2001), 58-60, 91-2.

handle work involving rejection better, recruiters are likely to recruit proportionately more candidates appearing with self-esteem.

There are at least two types of motivation likely to be sought by recruiters: an attraction to the type of work or industry involved and a broader ambition to advance in one's career. The first can be found in Associated British Ports' prime criterion that candidates should demonstrate interest in transport and that applicants to Rover Group be keen on cars. The British Aircraft Corporation offered a more nuanced set of possibilities on its application forms by offering the interviewer several possible motivations to elicit: 'romance of aerospace'; 'high tech'; 'big company opportunity/training/security'; 'no motivation'.[256] Most companies have probably tried to consider broader ambition as well, especially in applicants for management training. The reason is suggested in a German study of various types of employees and their devotion to their profession. Whereas 34% of non-management employees and civil servants replied that they were entirely devoted, together with 61% of managers and top civil servants, fully 90% of employers and executives claimed that this was true.[257] The effects of a need for achievement (n-Ach) were considered in McClelland's 1961 book 'The Achieving Society' and in various studies thereafter. Tests by Stahl tests in 1983 found that needs for power and achievement correlated 0.49 with whether a recruit would remain a non-manager, or become either a first-level manager or promoted manager.[258]

[256] BAC interview form, undated but 1970s.
[257] Witte, 'Germany' (1989), 158.
[258] Hirsh & Bevan, *What Makes a Manager?* (1988), 83.

However, there are problems with the use of this criterion in recruitment which have limited its use by business, especially in Britain.[259] Measurement of n-Ach is difficult and depends on clinical assessment of reactions to photographs. Secondly, later studies, including by David McClelland, found that a desire for achievement was often outweighed by a desire for power, an impulse which might be less useful for the company.[260] Men with a high power motivation were not only more aggressive, impulsive and competitive but tended not to be liked much, often had low self esteem and poor health, and would ultimately succeed within organisations only if they had other inhibitory motivations to balance power hunger.[261] Thirdly, and related to previous comments on creativity, aggressiveness and initiative may be admired in abstract but can be disruptive in organisations.[262]

2.1.3 Character

At first sight, the objectivity and usefulness of the concept of character might seem as open to attack as those of 'leadership' and 'flexibility', discussed above. The word has had varying meanings and fell into relative disuse within the domain of recruitment. However, until the 1950s at least, the concept was used and often placed in first place amongst recruitment criteria, because as one major company put it in 1963 'you've got

[259] Bolton, 'Graduates in Industry' (1969), 7-8.
[260] cited in Livingston, 'Myth of the Well-Educated Manager' (1971), 103.
[261] Argyle, *The Psychology of Social Class* (1994), 53.
[262] Gunz, 'The Structure of Managerial Careers' (1986), 78.

to be able to trust a fellow'.[263] It is formed from more coherent elements than, say, leadership but is one of the building blocks of what is typically meant by leadership.

The existence of character is intimately linked to the creation of trust and it pervades the principal-agent problem confronting employers. Elements of character, such as honesty are important since, as the SKOPE national skills survey in 1997 demonstrates, of all occupational groups managers are the most likely to report that they work with little or no supervision.[264] In economics, trust is central to transactions but economists have discussed the notion sparingly and the standard neo-classical model of the economy is silent on the reasons for agents' assumed rectitude – perhaps they are persons of honour or perhaps agents are subject to credible enforcement of rights.[265] Institutional/contractual arrangements may help (e.g. deferred compensation), but this will rarely offer a complete solution, especially in complex management jobs where it is hard to cover all contingencies.[266] National law and corporate control may partially reduce a dependence on individual morality but they can never replace it entirely. One response to this was the institution of patronage which was organised largely to provide a system of moral reference regarding individuals about whom an employer has no direct knowledge.

In business practice, character also facilitates the growth of trust and solidarity with clients and colleagues, and regulates and legitimates the use of power. Peter Drucker has argued that the seriousness and sincerity of management is demonstrated by people decisions, and that the example set will be imitated within the organisation. Consequently, the appointment of someone who considers intelligence more important

[263] Rogers, *Managers: Personality and Performance* (1963), 103.
[264] Ashton et al, *Work Skills in Britain* (1999), 107.
[265] Dasgupta, 'Trust as a Commodity' (1988), 49.
[266] Granovetter, *Getting a Job* (1995), 218-9.

than integrity creates demoralisation: if a person lacks character and integrity then, no matter how brilliant or knowledgeable they are, they will destroy value.[267] Another long-term observer of management, Warren Bennis links the erosion of individual responsibility generally with the reduction in the number of true leaders.[268] This link between leadership and the need for character is apparently shared by managers and others, with leaders expected to exhibit high levels of responsibility, integrity, conviction and fortitude.[269] In one international study those managers ranked higher in 'rate of advance' judged honesty as more important than those who had moved less fast.[270] Experimental psychological work finds that moral attributes are related to perceptions of a person's leadership ability, more so than social skills.[271]

What though is character? Following Peikoff, it can be seen as the moral principles he accepts and automatises and, more concretely, the practise of certain primary virtues: rationality, productiveness and pride, and the supporting virtues for rationality, namely independence, integrity, honesty, and justice.[272] From a business recruitment point of view an orientation towards productiveness and pride in one's character would probably be registered under the categories of mental ability and personal qualities above. But the supporting virtues come much closer to capturing what was/is understood by character. Independence requires that individuals depend first and foremost on their own minds and judgement; integrity that people act in accordance with rational convictions; honesty that one refuses to fake reality internally or towards others; justice that one judges other

[267] Drucker, *Management* (1974), 369-370.
[268] Bennis, *Why Leaders Can't Lead* (1989), 5-6.
[269] Kouzes & Posner, *Credibility* (1993); Bass & Burger, *Assessment of Managers* (1979), 147.
[270] Bass & Burger, *Assessment of Managers* (1979), 111.
[271] Cook, 'Evaluating Leadership' (1999).
[272] Peikoff in Binswanger, *The Ayn Rand Lexicon* (1986), 68.

objectively and acts accordingly.[273] These may be characterised as the philosophical backbone of conventional bourgeois morality with its emphasis on rationality, personal responsibility, productiveness, a need for prudence, sobriety and thrift, concern for one's reputation, reliance on the reputations of others, benevolence and esteem for those behaviours, that are commonly thought to be indicators of personal solidity.[274] The acid test of character is whether an employer can obtain correct expectations about the actions of the recruit, and whether 'he could be counted on to act correctly and responsibly of his own accord in situations in which he would have been free to act otherwise'.[275] The automatisation of moral values referred to above highlights one feature of character – by the age of selection for employment, it is likely to be largely formed. As Drucker puts it, 'Character is not something managers can acquire; if they do not bring it to the job they will never have it'.[276]

Despite the evidence of the concept's importance, the explicit reference to character as a recruitment criterion has decreased significantly over the last fifty years. This may be partly due to a collectivisation of morality. In business, this involved a move from a focus on 'honest dealings' to broader concern with 'corporate responsibility' that took hold in the 1950s.[277] Most business schools teach ethics as a topic, but tend to focus on social issues, and their students appear to agree – more concerned about corporate positions on collective rights, the environment and executive pay, but resigned to participation in acts of cheating and dishonesty.[278] Within recruitment, greater

[273] Greiner & Kinni, *Ayn Rand and Business* (2001), 56, 67.
[274] Donway, 'The Importance of Blacklisting' (2002), 5.
[275] Hilkey, *Character is Capital* (1997), 67.
[276] Drucker, *Management* (1974), 369-370.
[277] Tuleja, *Beyond the Bottom Line* (1987).
[278] Stark, 'What's The Matter with Business Ethics?' (1993); Jennings, 'What's Happening in Business Schools?' (1999).

procedural professionalisation came to be associated with a preference for language that avoided moralising cant, and recruiters were keen to focus on the communication of positive characteristics.[279] 'The task is to choose a person who will be likely to succeed in a certain job or range of jobs. The task is not to choose a "good person", however this is defined' stated one prominent recruiter from the 1960s.[280] When Esso carried out in-depth investigations of certain candidates in the early 1980s academics and careers service staff at the University of Nottingham complained, arguing that they should look only at qualifications and competence.[281]

The other reason for character's lower profile is that in many regards the control systems encircling new recruits - employment contracts, accounting systems, socialisation and corporate culture, bank and board monitoring - have become more sophisticated, have reduced managerial discretion, and circumscribed behaviour likely to damage the firm. Even in the 1930s, whilst banks were obviously interested in 'strict uprightness in money dealing', in practice, honesty was taken for granted because ultimate detection of theft was considered inevitable.[282] Beyond their roles in planning, coordination, administration etc, management structures ensure a 'pyramid of surveillance' over all activities, including managerial ones.[283]

However, as periodic episodes of business scandal remind us, control systems are imperfect and are placed under additional strain by early financial responsibility being provided by flatter organisations and 'empowerment'. Downsizing and decentralisation has often cut lines of corporate communication, which reduces the ability of the centre to

[279] Preece, 'Graduate Recruitment in the Chemical Industry' (1990), 18-19, 25.
[280] Gough, *Interviewing in 26 Steps* (1978), 3.
[281] AGCAS/28 'Employers Background Checks in Selection'.
[282] Laborde, *Choosing a Career* (1935), 56.
[283] Gordon, *Fat and Mean* (1996).

communicate and monitor an ethical policy. Changes in the employment market may have encouraged managers to see themselves as mercenaries, something which undermines the creation of loyalty, trust and shared values.[284] The investment bank Goldman Sachs confronted this issue as it grew fast in the 1980s, had its traditionally strong culture diluted by new entrants, and experienced problems of maintaining proper behaviour.[285] In the UK, Birse Construction found its reputation for honest dealings eroded by an influx of outsiders accustomed to rougher sales methods. Widespread dissatisfaction amongst clients and staff led to steps to reinforce older values which revived company performance.[286]

In practice, the pursuit of character survives through its constituents which remain popular elements in competence frameworks. For example, the retailers WH Smith specifically identified their desire for someone 'reliable, honest and conscientious' in their 1988 assessment centre criteria. In Hirsh & Bevan's work on attribute lists, 'thoroughness', 'integrity', 'reliability', 'maturity', 'independence' and 'inspires confidence' all point to character.[287] It is also noteworthy that smaller organisations, whose control systems are less sophisticated, apparently remain strongly focused on honesty and integrity and rate these, and motivation, as more important criteria than academic qualifications.[288]

[284] 'Overworked and Overpaid', *Economist* (30/01/1999), 69.
[285] Hefferman, *Modern Banking* (1996), 333-5.
[286] Syrett & Lammiman, *Management Development* (1999), 38.
[287] Hirsh & Bevan, *What Makes a Manager?* (1988), 112-120.
[288] Jenkins, *Companies' Use of Psychometric Testing* (2001).

2.1.4 Useful Knowledge

The obvious absentee from this list of core attributes is actual skill in, and knowledge of, the work to be done. This is discussed extensively in Chapter 4. It is omitted here because, whilst mental ability, personal qualities and character are criteria sought implicitly or explicitly by companies for *all* positions likely to be open to educated young people, this is not universally the case with relevant knowledge. One formulation of graduate recruitment activities distinguishes between the approach where specific knowledge and skills are evidently specified – what the authors call the 'finished goods approach', from those seeking either just a minimum level of intelligence, academic training and general personal qualities ('raw material approach').[289]

[289] Preece, 'Graduate Recruitment in the Chemical Industry' (1990), 57.

2.2 Prioritising Amongst Core Attributes

It is argued above that mental ability, personal qualities and character are all important ingredients for the performance and credibility of potential managers even if the outlines of each can be hazy. But moving from that knowledge to specifying the requirements for particular positions requires more work. Duncan tells us that recruiters must perform three further steps.[290] Firstly, to see whether low probability incidents like embezzlement can be avoided, although this is hard in a job specification; secondly, to imagine the ideal person incorporating the most desirable characteristics; lastly, to apply the 'reality principle' given the likely candidates and optimise the key attributes by considering trade-offs. Data on the various qualities need to be weighed, equally or differentially, with minimum criteria specified.[291] This may depend on company strategy with, for example, firms following a strategy of product innovation being especially keen to find signs of creativity.[292] Gowin found American firms making such trade-offs differently in 1918 depending on their industry, with advertising managers rating initiative higher and integrity lower than other managers.[293]

Part of the problem is that many qualities taken too far become hindrances, or mutually exclusive with others. So managers in Marks and Spencers were expected to be intelligent but not too clever; forceful but sensitive; dynamic but patient; decisive but

[290] Duncan, *The Economics of Selection* (1985), 9-10.
[291] Smith & Robertson, *Systematic Personnel Selection* (1993), 256.
[292] Jenkins, *Companies' Use of Psychometric Testing* (2001), 28.
[293] Gowin, *Selection and Training of the Business Executive* (1918), 101.

reflective.[294] Likewise Army officers are expected 'to show initiative, yet remain hemmed in by regulations. They must be aggressive, yet never insubordinate. They must be assiduous in caring for their men, yet maintain an enormous social difference. They must know everything, yet never appear intellectual'.[295] A mediocre solution is to use a satisficing decision rule and say that 'I think this decision is possibly good enough to enable me to meet my aspirations', hoping not to be out-competed by the competition.[296] Well-known constraints within an industry or the economic cycle may also prevent many solutions from being considered. In 1953, only as the chronic post-war shortage of chemists eased, did employers begin to specify preferences in terms of non-academic criteria for chemistry graduates to the Manchester Careers Service.[297] Some firms apparently saw the trade-offs as obvious: in the late 1930s, Armstrong Siddeley Motors saw two types of potential recruits, whether graduates or not – the research type and the executive. They wanted the first type 'whose qualifications are high, but whose personality we are not greatly interested in'.[298] On the other hand the trading company J.Swire & Co has always seen their key criterion as independence due to the far flung nature of their business and cared more for evidence of leadership potential than academic record.[299] For most companies, however, where the trade-offs were less obvious, and the calculations less explicit, the key was firstly to establish a hierarchy between the core values, and then to decide how many secondary ones to pursue as well.

By definition, all core values are important. Too much emphasis on character and personality over ability may lead to 'pleasant manners, quiet modesty and friendliness',

[294] Tse, *Marks and Spencer* (1985), 152.
[295] Dixon, *On the Psychology of Military Incompetence* (1976), 214.
[296] Earl, *The Corporate Imagination* (1984), 44.
[297] UMCAS AR (1953).
[298] APTB 14/13, piece 2.
[299] OUCS/3 (Swires) Vacancy Notice 02/11/1987; Company Index Card 18/01/1970.

but ‘slow, cautious and obstructive’.[300] Ability and character without any social component in the personality may make integration into an organisation hard. A more contemporary vice is the exaltation of ability too far over character, with McKinsey illustrating their ‘War for Talent’ literature with Enron which recruited large numbers of highly motivated MBA graduates and pushed them hard for results.[301] Such a combination may attract a kind of manager that Hogan, Raskin and Fazzini refer to as ‘Narcissists’: they are plausible, self-nominating, clever, but ultimately dangerous as they do not recognise their own limitations and failures.[302]

Considering just the public declarations of businesspeople on the order of importance in which they would place ability, personality and character, the answer appears to change over time, as some examples suggest. A report by BACIE in 1928, based on a survey of companies, found that the top three criteria sought in management recruits were ‘Character’ (honesty, integrity, loyalty and thrift), tact and sympathy with fellow men, and ‘Intellect in its widest sense’.[303] A follow-on report the next year underlined that the fifty-one firms surveyed had ‘a unanimous preference for “type” before education’.[304] The head of recruitment at Pilkington’s in the 1930s felt that ‘knowledge alone is not enough; character alone is not enough; what is required, in general, is character, inherent ability, a disciplined mind, and initiative’.[305] At a meeting between companies and headmasters in 1932, the main speaker reckoned that employers were calling for ‘character and brains’, especially qualities of leadership and taking

[300] Chapman, *Leadership in the Civil Service* (1984), 156-7, 174.
[301] Gladwell, ‘The Talent Myth’, *New Yorker* 22/7/2002.
[302] Ibid.
[303] BACIE, *Education for Management* (1928), 10.
[304] Rostron, *Education for Higher Positions in Commerce* (1929), 23.
[305] Barker, *The Glassmakers* (1977), 332.

responsibility, with trained intelligence.[306] At the same meeting, representatives of the accountancy profession said that accounting demanded special aptitudes and qualifications 'above all that independence of character which would leave alone doubtful propositions'. Even after the war, one hundred senior mangers surveyed by the journal *Future* said they sought character, leadership, then technical knowledge in their successors.[307]

From the 1940s onwards, however, a more intellectual orientation emerged. The consensus view of an employer/university meeting was that 'while the graduate degree is a reliable indicator of a trained mind, this in itself is seldom sufficient. Other characteristics and personal qualities are required to support this and are usually just as important'.[308] Martin Higham from Rowntree felt that industry's 'annual ivory hunt' was 'largely a quest for people of intelligence and personality'.[309] However, intellectual ability became primus inter pares as a requirement for successful managers and various surveys from the 1980s until 2000 reconfirm that ability/performance has remained there since.[310] Even academic sceptics seem to agree, putting employers' interest in the 'promise of performativity' ahead of the 'aesthetics of self-presentation'.[311]

This transition in stated priorities is partly linked to the phenomena described in the section on character above. But the timing suggests another cause than a decline in explicit reference to character. In setting priorities for seeking candidates, firms need to consider search sequencing and costs as well. As the educational system became a more

[306] 'Careers for Public School Boys', *The Times* 10/03/1932 2-3.
[307] Tiratsoo, 'Standard Motors 1945-55', 96.
[308] FBI/200/F/4/65/1 (1949), 83.
[309] DOG 1959 13.
[310] Mabey & Thomson, *Achieving Management Excellence* (2000), 17.
[311] Knight, 'Employability in the First Graduate Job' (2002), 35.

efficient identifier of ability, qualifications quickly made the natural starting place for recruitment, both conceptually and practically, that of mental ability.

One striking feature of attribute lists is the number of items which typically appear. Some commentators are apt to regard this as terminological imprecision, repetitiveness, or indecisiveness, on the part of those consulted. One American survey concludes that the traits apparently necessary imply that a good manager should possess just about every human virtue and that managers sought people scoring high on as many measures as possible.[312] Research comparing academic and business scoring of qualities notes that employers mark more evenly between options, suggesting that they attach importance to more areas.[313] In principle this might reflect a satisficing strategy. However, an alternative explanation exists, suggested by Shaw's observation, after considering the biographies of hundreds of businesspeople, that exceptional businessmen may succeed less due to a few exceptional or distinctive qualities, but rather to 'the cumulative effect of more mundane qualities'.[314] This echoes McClelland's work on diplomats in the US State Department where he had found that IQ offered only limited explanatory power. Instead he found that high-fliers must master a mix of competences and only when they reach a critical mass does something akin to catalysis occur, what he calls 'the tipping point'.[315] The term of psychologists for this is additivity since in calculating correlations between various personal factors and the respective criterion, adding in certain factors increases predictive power. For example, considering scores for both IQ and lack of neuroticism together predicts future income better than either by itself.[316]

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[312] Campbell et al, *Managerial Behavior, Performance, and Effectiveness* (1970), 25.
[313] *Janus* (June 1994), 6.
[314] Shaw, *Patterns of Success* (1993), 16.
[315] Goleman, *Working with Emotional Intelligence* (1998), 37.
[316] Eysenck, *Intelligence* (2000), 112.

Although selected for his or her individual merits, potential managers are usually considered for a job within an organisation that already has a certain structure and culture. Although firms may sometimes seek to recruit new people in order to generate creative tension and innovation, as Sofer felt occurred in ICI and Ford in the late 1960s, usually young people are expected to start with, and develop, a certain fit with the organisation.[317] The 'personal chemistry' should work and recruits should be seen as avoiding a superior attitude to new colleagues and subordinates.[318] Although too much cohesiveness can lead to an introspective and moribund organisation, a clear culture can reinforce organisational efficiency in two ways – allow the substitution of implicit self-management for explicit management control and can make communication more transparent, creating mutual confidence. In addition, recruiters may seek candidates who can not only perform well at certain tasks but also who adapt to existing managerial control systems.[319]

So, there is nothing *intrinsically* contradictory between the idea of fit and the pursuit of excellent recruits. However, the content of certain selection tests have seemed to go much further than creating the grounds for successful integration, even to the extent of consciously excluding outstanding candidates as such. The most vivid concretisation comes from American personality tests from the 1950s, which Whyte attacked as being essentially loyalty tests. In search for normality they supposedly offered 'a set of yardsticks that reward the conformist, the pedestrian, the unimaginative' at the expense of the exceptional person.[320] To pass such tests he recommended producing the most run-of-the-mill answer for word associations and giving answers

[317] Sofer, *Men in Mid-Career* (1970), 16.
[318] Sveiby & Lloyd, *Managing Knowhow* (1987), 21-2; ULCAS AR (1969/70).
[319] Windolf & Wood, *Recruitment and Selection* (1988), 17.
[320] Whyte, *The Organization Man* (1956), 201.

overall that mimicked a mediocre version of normalcy. Whyte asked twelve CEOs, sixteen top scientists, and thirty-eight high potential middle managers to do the tests and found that not one CEO fell within normal limits and two failed even to meet the profile for foremen. Middle managers were fine on stability and sociability scores, but on practical judgement only three reached levels suggested for executive work.[321] Such personality tests were less common in Britain at this time but we may at least wonder whether such measures of conventionality were not present in the largely undocumented world of one-to-one interviews. This would represent a real conflict of values since, as Urwick tells us, the much-desired qualities of leadership are not those which lead to flexible and docile subordinates.[322]

[321] Ibid, 218-220.
[322] Urwick, *Management of Tomorrow* (1933), 183.

2.3 Was There Change Over Time?

Much has changed in British society and in the nature of organisations since 1930. In 1972, one commentator reckoned that 'The characteristics of today's leaders are quite different from those required thirty years ago, and those required for tomorrow will be different again'.[323] Certainly there have been fashions in the vocabulary used by selectors: In the 1950s, selection boards, whether industrial, professional or governmental wanted people to be 'vital, human and dynamic'. By the 1960s, applicants were required to possess 'awareness, integrity, and a sense of values'. This was the heyday of management selection organisations and these qualities loomed large in their advertisements. In the 1970s, candidates needed to have 'flexibility' 'which not only figures in all press advertisements and in every pronouncement by personnel officers and university appointments officers, but comes *ex cathedra* from bishops'.[324] In the 1980s, application forms began to include questions about motivations for applying.[325] By the 1990s, there was 'a growing interest in defining the general intellectual and personal qualities required in employment and a willingness to state such requirements'.[326] One recent critic claims that predicting those chosen for employment in large business organisations has become more complex and indeterminate because recruiters place a growing emphasis on intangible personal qualities.[327]

[323] ISC1/19/3/142 (1972), 9-11.
[324] ISC1/19/3/141 (1971), 8.
[325] Warrell, *Employers and Graduate Recruitment* (1993), 59.
[326] Bradshaw, 'Classifications and Models' (1992), 41.
[327] Brown & Scase, *Higher Education and Corporate Realities* (1994), 2.

However, many large companies, at least, deny *fundamental* change. Martin Duffell, a Unilever manager and recruiter, felt that the list of abilities required had changed little over the last 25 years. Unilever seek individual abilities and interactive ones, and since the most difficult human goals are achieved by people who are exceptionally energetic and tenacious 'Dynamism is likely to be in demand indefinitely'. Moreover, as organisations want to bright hire people who can outwit the competition, his prediction was that whilst graduate selection procedures would become more sophisticated, qualities would continue to remain much the same.[328] The qualities he describes are not much different than Unilever's declared selection criteria in 1957: 'ability to make effective use of intelligence, power of decision, and capacity to work with others'.[329] At Shell there has been a more obvious series of reformulations in the last thirty years – for a long period its management selection criteria were rather conceptual, revolving around four qualities, identified in a 1970 study, called 'analysis', 'imagination', 'sense of reality', and 'helicopter' (keep perspective while looking at detail). At the start of the 1990s these were expanded before being condensed again in the late 1990s into 'capacity' (intellectual capability), 'wide-range relationships' (working with and inspiring people) and 'achievements' (set demanding targets and meeting them).[330] But it is hard to characterise this as a major shift. Harvey et al conclude a survey of graduate recruitment with the idea that attribute lists have changed little, excepting some increased desire for flexibility, inter-personal skills and team-working. They cite a senior executive from Guinness who believes that the list of priorities 'has not changed in 25 years, fundamentally' and that 'things like commercial

[328] Dunsmore (ed.), *Graduate Recruitment* (1993), 42-44.
[329] DOG (1957), 12.
[330] Harvey et al, *Graduates Work* (1997), 23.

awareness, some basic intellectual capabilities, results orientation, inter-personal skills, will always be important'.[331] Other companies show similar patterns.[332] Looking back even further, Sir William Larke, who claimed in 1948 to have been appointing people for fifty years, saw criteria as fairly constant over time with 50% of emphasis on academic qualifications and 50% on character.[333]

Within this basic framework of the core values discussed above, one longer term trend may have caused some changes. The timing of the relative decline in demand for character compared with academic qualifications after the war, mentioned above, seems to have coincided with a strong emphasis on bureaucratic organisational design, a systematisation of managerial work via job descriptions, and development of expert skills and competences. Job requirements moved towards 'dependency, conformity, co-operation, and "satisfactory" job performance', leaving creativity and leadership for an elite minority.[334] Into the mid-1970s management heavy structures may have downplayed individual initiative in favour of planning and cooperation, whereas the thinner organisations of the late 1980s and 1990s demanded more 'captains of teams rather than managers of teams', as an Iveco manager put it.[335] The argument for this follows Drucker's observation 'The more flexible an organisation, the stronger the individual members have to be and the more of the load they have to carry'.[336] So de-layering, and a move to more open channels of communication, required a more charismatic kind of leadership and those qualities previously associated with elite forms of higher education becoming increasingly appropriate for a broader range of

[331] Ibid, 64.
[332] e.g. Marks & Spencer - ISC1/19/3/147 (1973); Procter & Gamble - GET 2000, 688.
[333] FBI/200/F/3/T1/197 (1948), 16.
[334] Brown & Scase, *Higher Education and Corporate Realities* (1994), 2-4.
[335] cited in Harvey et al, *Graduates Work* (1997), 24.
[336] Drucker, *Management* (1974), 447.

employees.[337] This would also change the focus of hiring criteria to adaptability, social and personal values, possibly explaining an increase in demand for higher social skills between the mid-1980s and early-1990s.[338] An alternative explanation is that, as the possession of a degree became more widespread, and as companies could be choosier in their graduate selection procedures from 1970 onwards, personal qualities regained their prominence of before 1945.

Computerisation has had few direct effects on skill requirements, even if a certain familiarity with PCs became an (undemanding) norm. Indirectly, however, it has been claimed that the elimination of various administrative burdens has made generic skills even more important in the British workplace with high-level communication abilities extending their positive wage premium, after controlling for all other skills.[339] It has also been claimed that along with the demographic feminisation of management, there has also been a shift in the leadership characteristics observed and advocated by experts towards more feminine qualities.[340]

[337] Mason, *Are There Shortages of Engineers and Scientists in Britain?* (2001), 16; Brown & Scase, *Higher Education and Corporate Realities* (1994), 6-11.
[338] Wood, *Education, Training and the British Third Way* (1999), 17; Shimmin, 'Selection in a European Context' (1989), 111.
[339] Dickerson & Green, *The Growth and Valuation of Generic Skills* (2002); 'Computers and Wages', *Economist* (11/09/1999), 116.
[340] Smith & Smits, 'The Feminisation of Leadership?' (1994).

2.4 A Peculiarly British Approach?

The principal criticisms made of the criteria used for the recruitment of educated young people by business in Britain are, firstly, that in Britain there was a stronger 'Darwinist' belief in biologically fixed levels of ability which was 'out of tune' with Japan and much of western Europe.[341] Secondly, that there has been an unhealthy focus on 'innate qualities (leadership, courage, decisiveness, judgement) as opposed to business knowledge acquired in the schools', with the personal attributes expressing class as much as individual qualities.[342]

The accusation regarding beliefs about intelligence is both irrelevant and eccentric. Irrelevant because mere beliefs about the *sources* of ability have no bearing on recruitment decisions when recruiters are considering young adults whose intelligence has typically already reached its maximum level. Eccentric since, leaving aside Germany with its relatively muted differentiation between universities, the USA, Japan and France all practice an academic elitism that sorts the brightest young people by institutions and generates great interest in their products from employers. There may be differences in the understanding of intelligence – in a military context one commentator differentiates between the more relaxed version of Sandhurst with an emphasis on individual resourcefulness, St Cyr's more rigorous and logical intellectualism, and West Point's focus on the absorption of masses of information.[343] One international study finds that

[341] Glover et al 'Engineering our Future Again' (1998), 202.
[342] Locke, *Management and Higher Education* (1989), 189-90; Brown & Scase, *Higher Education and Corporate Realities* (1994), 12, 23, 142, 127.
[343] Wilkinson, *Governing Elites* (1969), 204.

US, UK, Japanese and German managers all see sharp-wittedness growing in importance the higher one goes in the company whereas French managers thought the opposite.[344] But these are matters of detail.

The attitude of companies outside Britain towards personal qualities is summed up by a twelve country study of recent graduates entering employment where it was found that, in all but four, personality was seen as the most important criterion. This included France, Germany and the UK, with Japan being the most extreme.[345] In the United States the consistency of the message regarding personal qualities was also high. Surveyed members of the American Society of Mechanical Engineers before World War One defined the requirements for success as Character (integrity, initiative, responsibility), Judgement (common sense, perspective), Efficiency (industry, accuracy), Understanding of men (executive ability), Knowledge of fundamentals of engineering science and Technique of practice and business, in that order, a finding broadly echoed by another commentator on the engineering scene in 1926.[346] Gowin's 1918 survey of 276 businessmen found the top three qualities as judgement, initiative and integrity.[347] Graduate recruiters in 1940 were supposedly seeking the 'campus hero' with 'lots of personality'.[348] A Conference Board survey in 1948 ranked the qualities sought in graduates as character, intellectual qualities and personality, echoed with more emphasis on personality by a similar survey in 1951.[349] The 1959 WCPA survey of what businesses want in college graduates listed integrity as first ranked. Likewise, the CEO

[344] Bass & Burger, *Assessment of Managers* (1979), 152.
[345] Brennan et al, *The Employment of UK Graduates* (2001), table A10.
[346] cited in APTB 14/13, piece 75 (Mather & Platt); Lewisohn, *The New Leadership in Industry* (1926), 4, 94-5.
[347] Gowin, *Selection and Training of the Business Executive* (1918), 41.
[348] Slantz, 'Recruiting for Industry' (1940), 34.
[349] NICB, *College Graduates in Industry* (1948), 3; PPF, *Recruiting College Graduates* (1951), 9.

and Chairman of P&G from 1957-74 sought character above all else in recruits.[350] In 1969, college grades were ranked as the fifth most important criterion after personality, maturity, appearance and oral expression.[351] Interestingly, in 1976, and similarly for engineering/technical, accounting/business and liberal arts students, the same two factors dominated corporate criteria: personal qualities first, then scholastic qualifications and grades. These two criteria were strongest for liberal arts people in both cases, but the rank order was the same for everyone, relegating specialised knowledge to third place.[352] A 1980 study noted that what stood out in views about desirable qualities for applicants 'are not the differences but rather the similarities between recruiters, students and faculty', with the top criteria being communication ability and future potential.[353] Even more recently, in 1993, the top three personal traits sought in executive trainees were maturity, honesty and responsibility.[354]

In the Japanese case, the pre-selection process in the 1960s looked similar to that described by Whyte in the USA – detailed questionnaires aiming explicitly to extract information regarding social class, personality, and ideology, with the aim of ensuring a uniform and coherent cohort. Those who reached interview were faced with questions that 'generally have little to do with the applicant's ability to perform specific tasks', and instead looked at family background, friends, love life, proofs of willpower, emotional stability, drinking habits, and questions of judgement. A 1960 survey revealed an overwhelming interest in interview responses with 85% wanting information on personality, 81% on attitude, 71% on philosophy of life, 66% on general

[350] Harrell, *Managers' Performance and Personality* (1961), 53; Swasy, *Soap Opera* (1993), 8.
[351] PPF, *Recruiting Practices* (1969), 8.
[352] Endicott Survey (1976), 4.
[353] Posner, 'Comparing Recruiter, Student and Faculty Perceptions' (1981), 335.
[354] Perez, 'Recruiting, Interviewing and Hiring of Executive Trainees' (1999), 205.

knowledge/culture and 49% on family background. A similar survey in 1957 of 300 firms found that two-thirds made their own checks on the applicant's social and family background, at least half of these using detective agencies, to avoid the existence of any hereditary disease, mental instability or dissolute tendencies which might involve a risk to firms.[355] Not much had changed by 1979, with 99% basing their decision primarily on the interview compared with just 59% on degree results. In interviews the key criteria were enthusiasm, team spirit, dynamism, sense of responsibility, judgement, persuasiveness etc.[356] Advice from the Japanese government to foreign firms entering Japan in 2000 suggests that these priorities remain almost identical.[357] At director level, character and personality win out again, with ability to organise and lead and a sense of equity/fairness ranking clearly ahead of professional knowledge, both in small and large firms.[358]

In 1950s Germany, whilst firms might tap vocational sources for their candidates, the prime criterion for graduate recruits was not knowledge but *Führung* i.e. leadership ability.[359] By the late 1970s a joint German/UNESCO study found that grades from higher education played a smaller role in selection than 'personal impression', work experience, and foreign languages.[360] A 1981 survey of perceived needs for managerial and executive positions placed leadership ability top for both categories, then creativity, critical thinking, ability to work in group along with business knowledge, with technical

[355] Azumi, *Higher Education and Business Recruitment* (1969), 75-86; Jolivet, *L'Universite au Service de l'Economie Japonaise* (1985), 59.
[356] Jolivet, *L'Universite au Service de l'Economie Japonaise* (1985), 37-8.
[357] JETRO, *Human Resource Guidebook* (2000), 6.
[358] Itoh & Teryama, 'Positions and Tenure of Top Executives' (1998), 63.
[359] Hartmann, *Authority and Organization in German Management* (1959), 166.
[360] Sanyal, *Higher Education and Employment* (1987), 119.

knowledge ranked low.[361] A longitudinal analysis of job criteria for top executives in Germany between 1951-1983 talks almost entirely of personal qualities.[362] Later in the 1980s another survey found two-thirds of business respondents citing personality-related qualities as more important for management positions than formal-professional qualifications.[363] In France commentators noted that the cosmetics company L'Oreal claimed an 'enormous emphasis on personal qualities' and the chemicals group L'Air Liquide wanted 'primarily personal qualities, including curiosity, adaptability, and mobility'.[364]

This listing of various views expressed by companies in some of the obvious comparator countries for British business demonstrates that a strong focus with personal qualities is widespread. Given the arguments earlier in this chapter this is to be expected, since such qualities are necessary for the successful performance of managerial work. British business was neither unique nor unjustified in its own focus on such attributes.

[361] Witte, 'Germany' (1989), 162.
[362] Ibid, 163.
[363] Eberwein & Tholen, *Euro-Manager or Splendid Isolation?* (1993), 100.
[364] Syrett & Lammiman, *Management Development* (1999), 85.

Chapter 3: Intelligence and Qualifications

Identifying in practice the rather general attributes discussed in Chapter 2 presents a key challenge of recruiting potential managers and this chapter discusses what has become the dominant means of sorting between candidates. In the absence of Ralph Waldo Emerson's 'anthropometer' to gauge merit effortlessly, individual attributes can almost never be measured reliably and directly.[365] Instead such qualities need to be inferred from limited samples of behaviour using imperfect tools. A long inferential chain stretches between high performance on the job and specific tests, and correlations between the two are typically limited.[366] Consequently, controlling the process to achieve decent results involves making important investments of time and money. These costs are much higher than for other categories of recruits because of the complex search for potential and not just immediate fit, the lack of work history, and typically a far greater ratio of applicants to jobs than in other areas of employment.[367]

For example, even before the first graduate candidate was actually interviewed in 2000, Esso UK made great efforts to develop relations with target universities, including dealing with careers advisers, university societies, arranging lectures, providing sponsorship, and liaising with academics; early contact with students was assured by placements, vacation courses, work experience, school liaison, and careers courses; marketing efforts involved an autumn tour of universities, brochures, posters/fliers, a

[365] Lemann, *The Big Test* (1999), 45.
[366] Arrow, 'Higher Education as a Filter' (1973), 214.
[367] Jenner & Taylor, *Recruiting, Developing and Retaining Graduate Talent* (2000), 41.

sophisticated website, and advertisements in magazines and directories; recruitment then involved screening CVs, streaming candidates, fielding telephone enquiries, arranging hotels, informing careers services, doing internal interview training, and processing numeracy tests.[368] Thereafter follow interviews, initial selection decisions, feedback to candidates, assessment centres, more feedback, induction, debriefs, analysis, and validation of methodologies. Not surprisingly, the question is often put as to whether companies receive value for money from the overall process and from individual sub-components.

The Chief Executive of the Association of Graduate Recruiters estimated that the total costs involved in recruitment, selection and initial induction/training per graduate entrant reached £250,000 in the 2000s.[369] Considering just costs strictly related to recruitment and selection, Guinness were spending £30,000 per recruit in the mid-1990s.[370] Around 1990, Esso spent £70,000 on their recruitment brochure alone whilst Ford used more than £150,000 of travel expenses for interviewing.[371] The Civil Service's selection centres cost about £11,000 per entrant in 1981-2, marginally higher than in the private sector.[372] In 1970s America, one engineering firm was spending $13,000 per recruit.[373] In 1980s Japan, amounts could reach six million Yen, then about $40,000 per recruit.[374] Since numbers of graduates and applications have grown over time, absolute costs have grown hugely over the last fifty years.

[368] OUCS/3 (Esso), Presentation Slides autumn 2000.
[369] Gilleard, 'The Changing Graduate Market' (2003).
[370] OUCS/3 (Guinness), visit note by MJD 27/06/1996.
[371] Ford: Graduate Recruitment Report (1990); Esso: Graduate Recruitment Report (1990).
[372] Management and Personnel Office, *Selection of Fast-Stream Graduate Entrants* (1983), 3.
[373] Patten, *Classics of Personnel Management* (1979), 115.
[374] Logan, 'Executive Recruitment Japanese Style', (1991), 66.

In this situation, recruiters have sought to maximise the probability that those making final selection decisions start with the best possible pool of candidates. Experts in selection like the Civil Service's Edgar Anstey have noted that 'better results can be obtained by applying a relatively crude selection procedure to a field of strong candidates than by applying a highly elaborate procedure to a weak field', a result confirmed in American experience too.[375] So firms have resorted to measurement by proxy to try and reduce search costs.[376] This involves making use of certain kinds of easily obtainable information and using that to 'buy a lottery' - a range of outcomes and probabilities - by inferring from known behaviour of other people sharing the same or similar attributes.[377] In other words, for lack of individualised information, predictions need to be made based on group attributes, whether those attributes are achieved ones (i.e. graduate) or ascribed ones (woman). Since such heuristics can never be more than approximate, all such screening devices inevitably eliminate some good candidates and retain undesirables.

There is good evidence, nonetheless, that well-structured heuristics can be great forces for good. They may have got a bad name in the 1970s from Tversky and others whose work moved heuristics from being seen as a method where one *could* not use logic to one where informal methods were, by definition, used erroneously, i.e. fallacies and biases.[378] But in fact they can be entirely rational in the circumstances, where 'vision is limited, time is pressing, and decision-making experts are unavailable'?[379]

[375] IARC, 'Assessing Management Potential' (1971), 16; Smith, 'Effects of Recruitment Practices and Organizational Reputation' (1997), 1.
[376] Eggertsson, *Economic Behaviour and Institutions* (1990), 44; Sanyal, *Higher Education and Employment* (1987), 122.
[377] Spence, *Market Signaling* (1974), 7.
[378] Gigerenzer et al, *Simple Heuristics* (1999), 27.
[379] Ibid vii.

What have been called ‘fast and frugal heuristics’ can work as long as they exploit the ‘environmental structure of information’, i.e. take advantage of known facts and correlations to make simple and falsifiable predictions, and apply basic rules to reach decisions.[380]

In the case of potential manager recruitment, though, firms needed to find better answers to the question of which information would be useful in predicting good later performance (i.e. be relevant) but also be easy to measure consistently and reliably (i.e. be objective). In practice, there are trade-offs between these two dimensions, with some relatively objective measures (like academic results) offering little information on, say, relevant personality traits, whilst information from some potentially more relevant aspects (extra-curricular activities) is hard to interpret objectively. Consequently, a group of criteria are typically considered together, something that creates complications of its own, since rules must be formulated to combine different ratings. By far the most important proxy in the area of recruiting potential managers is that of educational qualifications.

[380] Ibid 30, 358, 360-362.

3.1 Educational Qualifications as a Sorting Mechanism

Schematically speaking, an education system can be seen as a mechanism which selects young people for their learning ability, provides access to knowledge through teaching and then awards qualifications in recognition of a student's relative success in absorbing that knowledge. It may carry out any of these functions more or less efficiently. The second activity, that of imparting knowledge is analysed by human capital theory and is considered in some detail in Chapter 4. The others, however, involve distinguishing between levels of ability and are considered here as producing information potentially useful to companies seeking high ability entrants. This chapter will consider the proxy equating educational qualifications and intelligence.

The idea that the economic role of the education system is to sort the intelligence of potential candidates is proposed by the screening (or signalling) model. This appeared after the 1970 recession as it became clear that there was no permanent deficit of graduates in either the UK or the USA. It suggests that, in conditions of imperfect information, firms use educational achievement as a proxy for productive ability, less so for the actual production of skill from educational institutions.[381] A pure form of this is rarely encountered, and tends usually to the hyperbolic rather than analytic type of discourse and, in practice, few economists would consider the human capital and screening hypotheses as mutually exclusive. Likewise, although Becker's initial formulation excludes screening effects, in practice he now argues instead only for their

[381] Arrow, 'Higher Education as a Filter' (1973); Weiss, 'Human Capital vs. Signalling Theories of Wages' (1995); Greenaway & Williams, *Graduate Employment* (1973), 41.

limited nature.[382] Remaining resistance to the *concept* of screening (as opposed to its extent) has been attributed to a confusion with cruder credentialism, dislike of non-Pareto efficient systems, and the practical difficulties it creates in calculating social returns to education.[383] Weiss notes that the screening approach has gained broad recognition amongst microeconomic theorists, although many labour economists are more sceptical.[384] At least some sociologists argue for the existence of such a device.[385] Government reports have made reference to the existence of screening, for example in the NEDC's 1983 claim that British education 'remains predominantly that of a filtering system for identifying the academically most able'.[386] In France, companies supposedly look at the *grandes écoles* as 'elaborate sifting systems rather than purveyors of knowledge'.[387]

To appreciate the mechanism by which qualification information can be handled by recruiters, and although the figure is arbitrary, we may assume that recruiters have sought young people from the top 5% by mental ability of the respective cohort as potential managers. For example, the Oxford University Careers Service reckoned in 1956 that most recruiters wanted men from the upper 10% of the overall population by intelligence when recruiting graduates, while their colleagues in London saw it as the top 5%.[388] Taking the higher education (hereafter HE) system as the filter being considered, a perfect filtering system for firms would imply that all 5% would attend institutions of higher education, and they would represent 100% of the attendees, i.e. it

[382] Arrow, 'Higher Education as a Filter' (1973), 194; Layard & Psacharopoulos, 'The Screening Hypothesis and the Returns to Education' (1974), 995; Becker, *Human Capital* (1993), 8.
[383] Weiss, 'Human Capital vs. Signalling Theories of Wages' (1995), 150.
[384] Ibid 141.
[385] Goldthorpe, 'Problems of Meritocracy', cited in Cheung, 'Meritocracy Revisited' (1997), 3.
[386] Aldcroft, *Education, Training and Economic Performance* (1992), 28; Swann Report (1968), cited in Greenaway & Williams, *Change in Graduate Employment* (1973), 5.
[387] Shaw, 'Engineers in the Boardroom' (1995), 167.
[388] OUCS AR 1956 11; *Times Educational Supplement* 06/05/1949.

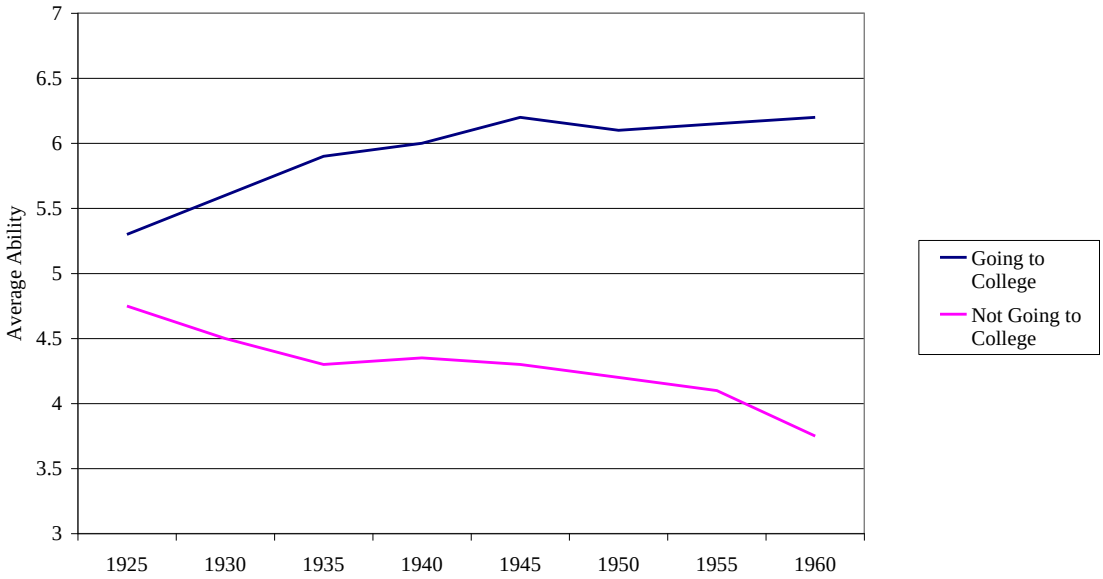
would possess 100% sorting efficiency. Any recruiter seeking young people of that ability would by necessity need to look to the HE system to find them, and they would need to make no effort to find them elsewhere. On the other hand, HE would be valueless as a filtering mechanism if the ablest young people were randomly distributed inside and outside HE, and recruiters would need to deploy many more methods of identifying talent, at increased cost. In reality, constraints on the ability of higher education to attract, and objectively select all the brightest students, and the observed growth in university attendance over time, means that the concentration of talent is less clear-cut than these two extremes, with some able young people excluded and some less able incorporated. Nonetheless, one does not need very tight assumptions to arrive at a situation where concentrations of the talented are higher than outside.

Some of the best data for seeing how this sorting efficiency may have evolved over time comes from the HE system in the United States and is presented here as the basis for contemplating the likely efficiency in Britain. In 1920s America there were no standard tests applied to candidates seeking to enter college and the direct and indirect financial costs of attending meant that most bright young people from poorer backgrounds did not apply, whilst many of lower ability entered from the middle classes. Moreover, as recently as 1929-30, only 17.1% of the relevant cohorts were enrolled in any secondary school.[389] The earnest architects of standard aptitude tests (SATs), irritated by a surplus of 'rich heedless young men', were provoked by pioneer studies showing the exclusion of bright poor young people, and saw their task as an 'audacious plan for engineering a change in the leadership group and social structure of the country

[389] Rubinstein, *Capitalism, Culture and Decline* (1993), 59.

– a kind of quiet, planned coup d'état'.[390] Their efforts led to the development and use of SATs from 1926 onwards, with large scale use from 1937 to identify scholarship students. The effect was to increase the difference in the average ability between those attending college, and those not, over a 35 year period, as per Figure 3.1:

Figure 3.1 The average abilities of American high school students who did, and those who did not, enter college, 1925-1961



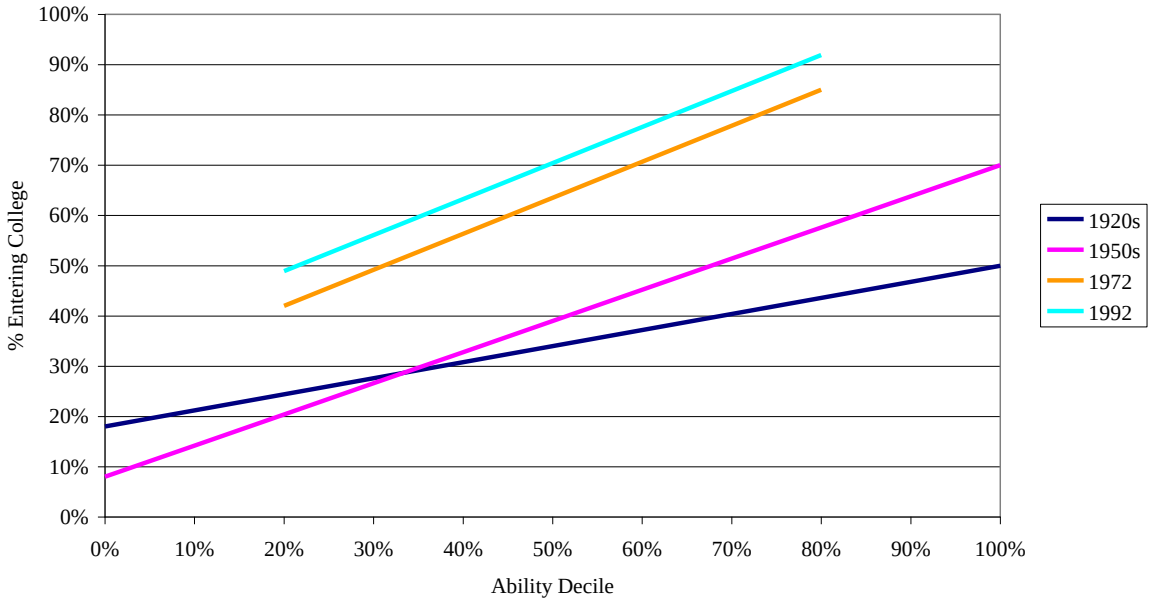
Source: Wolfle, *The Uses of Talent* (1971), 122, adapted from Taubman & Wales *Mental Ability and Higher Education Attainment Since 1910*. Units of ability not defined in source. Data from Wisconsin.

This is not to say that wide variations in ability did not remain. In 1949, tests indicated that there could be a difference of 2:1 in maths ability and mental alertness of engineers despite going through same course and school, in the same cohort.[391] Of high school graduates from Wisconsin in 1957, and although more boys from the top quartile in ability went to college than those of lesser ability, more of those from the third quartile by ability from the highest socioeconomic status (61%) went than those of highest

[390] Lemann, *The Big Test* (1999), 7-8, 22, 6.
[391] Jeffrey, 'Engineering Graduates and the Future' (1949), 49.

ability from the lowest class (52%). But the trend of increased selectivity by intellect was on-going.[392] The effect of this was that the correlation between ability and college participation grew stronger into the 1960s, even as numbers going to college grew in absolute terms. With such an increased sorting efficiency companies flocked in ever increasing numbers to college campuses to recruit graduates, even if they still bemoaned an 'anarchy of standards' and noted the absence of many able young people.[393]

Figure 3.2 The relationship between the ability of American high school graduates and the probability of their entering college – 1920s to 1990s



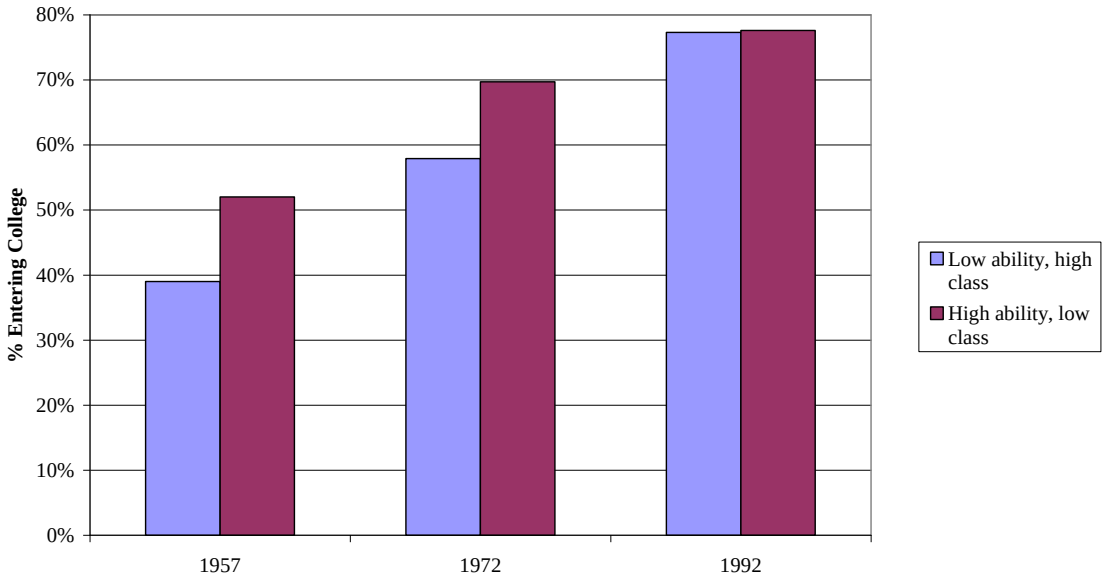
Source: Wolfle, *The Uses of Talent* (1971), 121 adapted from Taubman & Wales *Mental Ability and Higher Education Attainment Since 1910*; Wolf, *Does Education Matter?* (2002), 195 sourced from US Department of Education 1997. 1972 and 1992 data provide only upper and lower quartiles – not full range.

However, from the late-1960s onwards, the expansion of the HE system, whilst still slowly increasing the proportion of the ablest young people attending, increased the numbers of those of lower ability but from affluent backgrounds by even more (see

[392] Wolfle, *The Uses of Talent* (1971), 106.
[393] NICB, *College Graduates in Industry* (1948), & *Selecting Company Executives* (1957), 14; Mandell, *The Selection Process* (1964), 146.

Figure 3.3).[394] In the late 1970s, research found that 19% of college graduates had minimal adequacy or below in 'functioning in life'.[395] Companies responded by imposing more of their own selection criteria to weed out the less able graduates for potential managerial positions. Top students differentiated themselves by going in increasing numbers to graduate schools where selectivity was more stringent.

Figure 3.3 Percentage of young people by quartiles of ability and background entering college in the USA



Source: Wolfle, *The Uses of Talent* (1971), 106 adapted from Sewell & Shah, *Socioeconomic Status, Intelligence, and the Attainment of Higher Education*; Wolf, *Does Education Matter?* (2002), 195 sourced from US Department of Education 1997.

[394] Wolf, *Does Education Matter?* (2002), 195; Berg, *Education and Jobs* (1971), 102.
[395] Bowen, *The State of the Nation and the Agenda for Higher Education* (1982), 17, 190.

3.2 The Sorting Efficiency of the British Educational System

It proved more difficult to obtain longitudinal data on the level of ability of entrants to HE in the UK and so estimations of sorting efficiency here are based on less direct data. Nonetheless, the key elements are the same as those in the USA: an initially low level of differentiation by ability followed by increases in sorting efficiency due to changes in examinations and widening access to HE. Thereafter, continued growth in HE was accompanied by further participation of the ablest but even greater growth from the less able. Unlike the USA, however, the critical constraint of sorting efficiency traditionally was the small size of the educational system and its social slant rather than the lack of coherent entry qualifications.

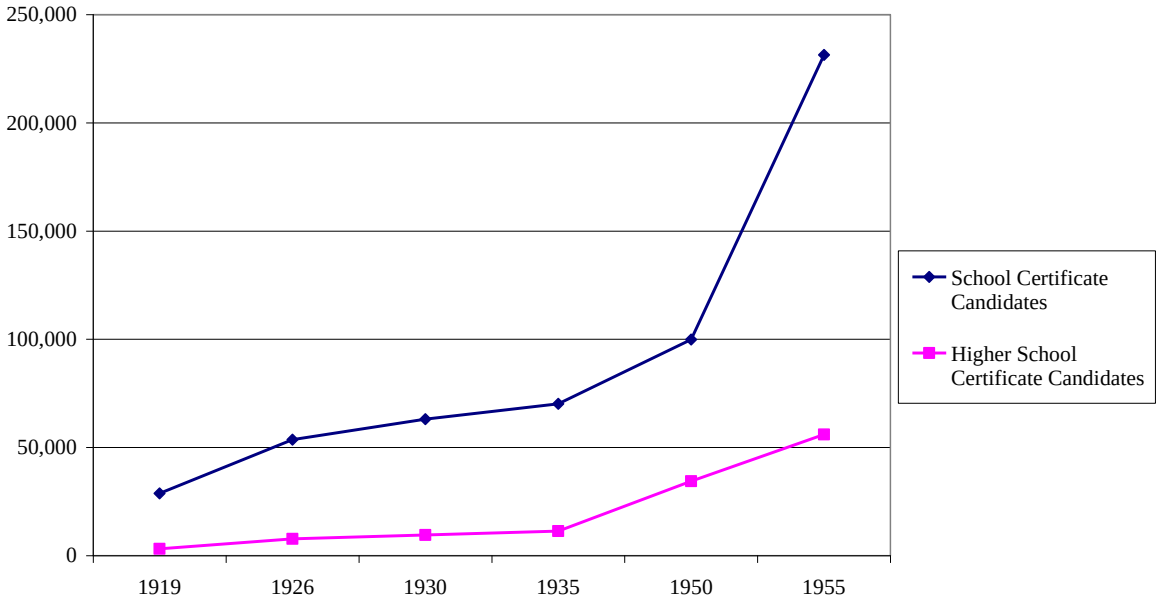
Although the American example used above dealt with the HE system, it has been pointed out that it was attendance at high school rather than at college which made the largest contribution to supplies of skills there during the 20th century.[396] Likewise, in Britain, especially with its relatively later expansion of HE, the secondary system needs to be examined as well as the universities. The British secondary and higher education systems in the early 20th century were characterised by their relatively small size and consequently low participation rates.

Nonetheless, in the wake of the 1902 Education Act, regulations governing elementary schools, hoped that they would act to 'to discover individual children who show promise of exceptional capacity and to develop their special gifts…' Such children could proceed to a grammar school of which there were only 85 nationally in 1902 but

[396] Goldin, *How America Graduated from High School* (1994), 2.

636 by 1910. The exemption of fees applying to 25% of grammar school places from 1908, and the extension of this to almost half of the places by the late 1930s, encouraged a widening in the social sources of secondary pupils.[397] Indeed the growth in students from the working class was faster than that from the professional classes.[398]

Figure 3.4 Numbers of candidates entered for the school certificate or higher school certificate examinations in various years



Source: DES, *Statistics of Education, Vol. 2 (GCE, CSE and School Leavers)* 1975, Table C, 79. GCE O and A Level in 1955.

Consolidation of national examination standards with the School Certificate, Higher School Certificate, and Matriculation exams provided fairly homogenous benchmarks for assessment. By the mid-1920s, more than 50,000 young people a year were taking School Certificate examinations and, by the mid-1950s similar numbers of young people

[397] Bernbaum, *Social Changes and the Schools 1918-1944* (1967), 11-14, 77.
[398] Sanderson, *Education and Economic Decline* (1999), 10; Morris, 'Further Education and Industry' (1947), 4; Anderson, *Universities and Elites* (1992), 48.

were taking the new GCE A Levels. Such numbers provided deep pools of young people who had proven their ability. By 1965 the number of A Level examinees tripled again.

The 1944 Education Act not only expanded free secondary schooling for all children, but organised type of instruction by ability assessed by a test at the age of 11. In terms of quantity, the increase between 1937 and 1961 in the proportion of ten to nineteen year olds in secondary education brought participation rates above those in other major countries.[399] Those involved, such as the head of Manchester Grammar School, felt that Britain in 1951 was in the midst of a meritocratic revolution due to the reforms.[400] His enthusiasm is borne out by a study five years later by Floud, Halsey & Martin which found that, at least in two parts of the country, the chances of children of same ability entering grammar schools were no longer dependent on social origins, and ability testing uncovered large numbers of bright children from the lower classes.[401] Moreover, it has been argued that at least in one part of Britain – Scotland - the degree to which level of education was determined by measured intelligence was higher than in the USA, implying more efficient (and earlier) identification of talent. [402]

This revolution was imperfect, as critics have pointed out. Overall growth in the system cannot hide the relatively late start and the distortions. Lindsay, in 1924, calculated that the proven ability of at least 40% of British children was being denied expression even at secondary school.[403] From a recruitment perspective, the problem was that – also in the inter-war period - some 73% of high intelligence children aged 11+ who were still in school at 11 would leave at 14-15 and, conversely, 49% of fee-

[399] Jeremy, *A Business History of Britain* (1998), 392.
[400] Woolridge, *Measuring the Mind* (1994), 259.
[401] Floud et al, *Social Class and Educational Opportunity* (1957), 139.
[402] Jeremy, *A Business History of Britain* (1998), 392; Hope, *Schooling and Social Mobility* (1984), 55, 246.
[403] Young, *The Rise of the Meritocracy* (1994), 15.

paying children in grammar schools were not of sufficient intelligence to benefit from such education, i.e. the efficiency of sorting by ability was limited.[404] Amongst those leaving grammar schools, Gray & Moshinsky found that there were three to four times more gifted children amongst those exempt from fees as amongst fee payers.[405] After 1945, the 11+ exam was a blunt instrument which may have tested crystallised knowledge as much as fluid intelligence, hurting late developers. It has also been criticised for being premature, unreliable in its predictive power, and subject to local variations and hidden class biases.[406] Amongst other things this meant that, even into the 1960s, more middle class children, and fewer lower class ones, reached grammar schools than would have been expected by intelligence scores alone.[407] This can be explained in part by differences in orientation to learning, often linked itself to differential economic returns to the investment of effort involved, something that has been observed abroad as well.[408] Such limitations, though, could have been addressed in collaboration with testing experts such as the National Foundation for Educational Research. Instead state secondary education moved away from selection by ability towards a model of comprehensive schools that, given their wider range of priorities, may have diminished opportunities for the brightest young people from modest backgrounds to succeed at school and university.[409]

At university level, too, growth was slow and uneven. In 1919, just 1.5% of the age-group went to university, rising to 1.7% by 1939. One estimate was that in 1912 there

[404] Sanderson, *Education and Economic Decline* (1999), 63.
[405] Cited in Bernbaum, *Social Changes and the Schools 1918-1944* (1967), 94.
[406] Anderson, *Universities and Elites* (1992), 61.
[407] Woolridge, *Measuring the Mind* (1994), 178; Saunders, *Unequal But Fair?* (1996), 22-3; Marshall & Swift, 'Merit and Mobility' (1996), 384.
[408] Lauer, *Enrolments in Higher Education in West Germany* (2000), 11-12.
[409] Brezis & Crouzet, 'Recruitment and Education of Upper Elites' (2002), 18; Owen, *From Empire to Europe* (1999).

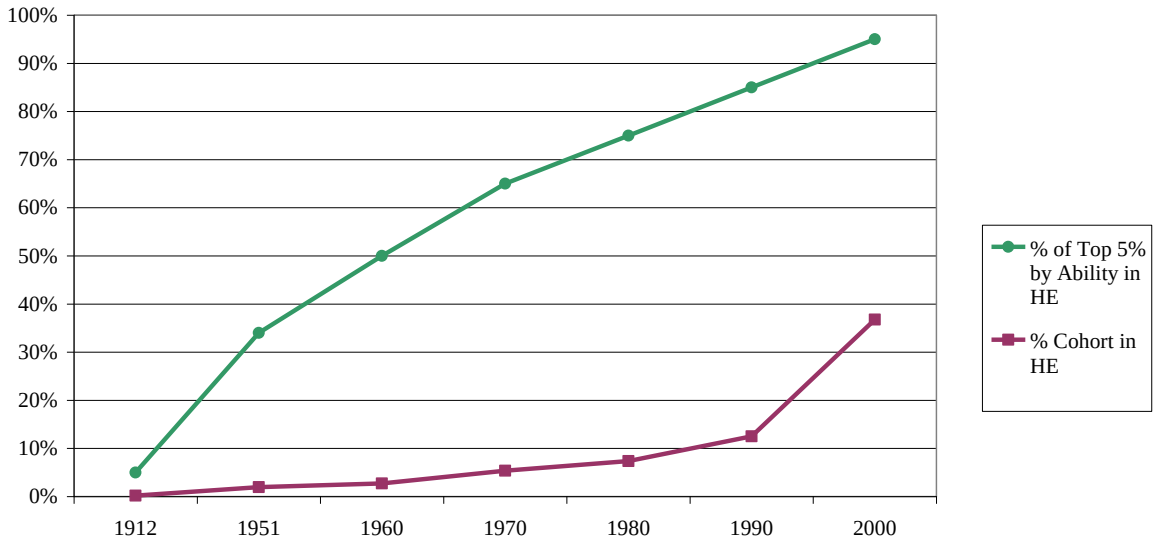
were 380,000 boys who reached the age of eighteen of whom, say, 5% (19,000) were potential Honours course students versus an actual university entrance of 4,000.[410] In 1938, a recruiter from Cadbury Bros distinguished between the two classes of men educated at universities as either 'those of exceptional mental ability' or sons of higher class families who can afford to go to the universities.[411] After the war, the Barlow report on scientific manpower found that whilst only 2% of the population went to University, about 5% of the population showed intelligence equivalent to the top half of university students.[412] Even so, universities may have taken one-third of the cleverest young people.[413]

There was some discussion, ultimately fruitless, as to whether universities should modernise their selection methods to handle a broader range of criteria since often 'chance, not choice, governs admissions'.[414] Instead, with the exception of Scotland, GCE A levels were introduced as the standard measure for entering HE from 1951. Numbers grew strongly after that, especially from the mid-1960s. One effect was that, by the 1960s, the percentage of from the working class university students was high by international standards.[415] Even more pertinent to the issue of potential manager recruitment, the proportion of students at Oxford from state schools, just 20% in 1938, had reached 64% in 1978, with working class participation much higher than elite universities such as Harvard.[416] This meant that, as had happened somewhat earlier in the USA and elsewhere, 'Where before were dozens of channels leading to higher social

[410] de la Garforth, *Management Development* (1959), 30.
[411] APTB 14/13 piece 21.
[412] Young, *The Rise of the Meritocracy* (1994), 25.
[413] OUCS AR 1952 3.
[414] PEP, 'The University Student: Selection and Awards', (1949), 294.
[415] Anderson, *Universities and Elites* (1992), 62.
[416] Snow, 'Myth and Modernization', (1999).

and economic standing, the paths of approach are now narrowing to the single one via college/university'.[417] However, within a decade of grammar school abolitions proceeding on a large scale, the proportion of entrants to Oxford from state schools fell from almost two-thirds to just over two-fifths, of which less than half were from comprehensive schools.[418] This too has been blamed on bias in the tests used, but scoring done using American SATs reveals a very similar pattern with private schools overwhelmingly ahead.[419] Moreover, in Northern Ireland, which remained selective, exam results are better overall with entry to university more socially inclusive.[420]

Figure 3.5 Estimated proportion of the top 5% of British young people by intelligence attending HE institutions, compared with the proportion of overall cohort doing so



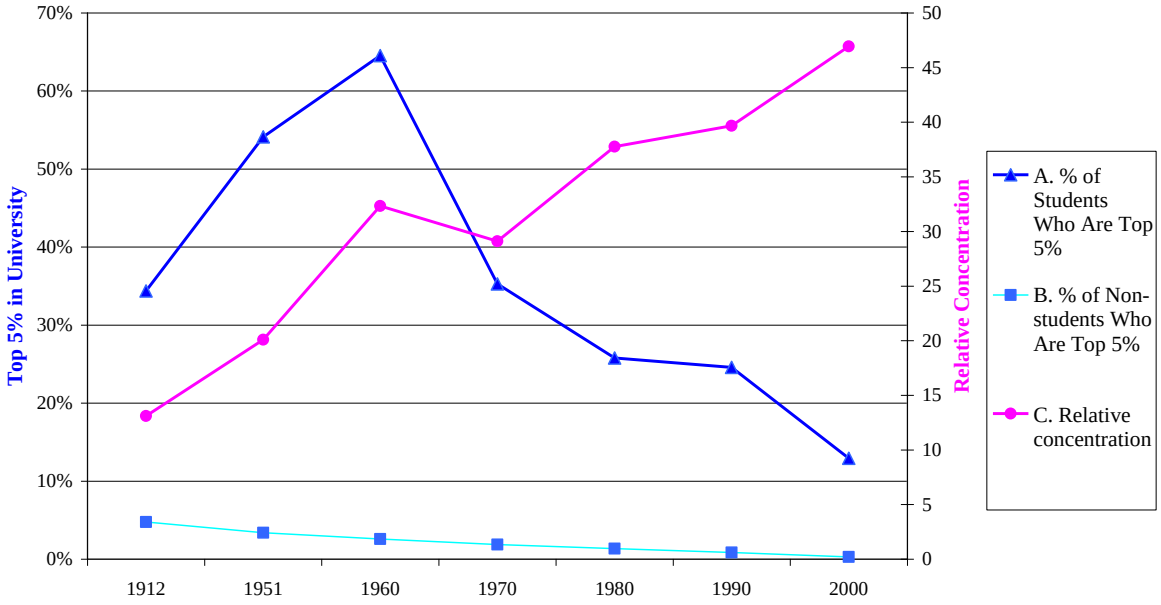
Source: UK top 5%: background data for 1912: de la Garforth, *Management Development* (1959), 30; background data for 1951 OUCS AR 1952 3; cohort data from figures in DES, *Statistics of Education*, Vol. 2 (HMSO) various years.

[417] Kotschnig, *Unemployment in the Learned Professions* (1937), 77.
[418] Woodhead, *Class War* (2002), 196.
[419] 'Talent spotting', *Economist* (03/03/2001), 37.
[420] 'Selecting for the Best', *Economist* (20/1/2001), 25.

Following the logic of what this meant for companies seeking entrants from the top 5% by intelligence from a cohort of young people, we can consider the implications of some plausible assumptions. Figure 3.5 shows approximate figures for the proportion of cohort that entered university for certain periods. It also assumes that the proportion of the most able 5% who entered university jumped from about a twentieth in 1912 to about 40% in 1951.

If those numbers are broadly correct, then Figure 3.6 shows the implications. Firstly, in 1912, the chance of finding someone with top 5% intelligence within the university would have been about five times as great as outside. However, in view of the small absolute numbers involved, and the limited proportion going into business careers, this was still not a promising potential source of recruits. By 1951, and even more so thereafter, not only did absolute numbers of graduates increase but the chances of finding someone of high ability had risen to twenty-five times more likely than amongst non-students. This made graduate recruitment a compelling proposition. That was only supported, at least into the 1960s, by a rising proportion of students who were of top ability – with perhaps half being so then. After 1960, the relative likelihood of finding top ability young people outside of the university system became ever smaller, but the proportion of students who were top ability shrank. Although driven by highly imperfect assumptions, and unable to provide guidance on matters of detail, this analysis is suggestive regarding the appropriate stance of business towards graduates and other educated young people.

Figure 3.6 Estimated percentage of students and non-students who were top 5% by ability; relative concentration of the top 5% inside and outside the university system



Source: Based on same sources as Figure 3.5, and my estimates from a simple extrapolation model. Approach partly based on Barry et al, *Engineers in Top Management* (1997), 63. Relative concentration is calculated as the concentration of those who are top 5% by ability in that part of the cohort attending university (line A) divided by the concentration of those who are top 5% by ability in those not attending university (line B).

Firstly, in 1951 (by which time the 1944 Act had started changing the composition of the student body), only a third of the ablest young people from the cohort reached the HE system. So any slowness by business in entering the unfamiliar world of universities seems less unreasonable. Before the war the proportion was significantly lower and, for most of the 1930s, labour of all sorts had been easy to obtain. Secondly, the relatively greater speed with which American business (or that in France, Germany and Japan where HE systems had also grown early on) had sought talented young people at universities is explained by the earlier concentration there of the ablest people. The firms were practically obliged to go there, while British firms were wise to spread their bets.

3.3 How Did Business React to Qualifications?

Aldcroft, echoed by other commentators, tells us that there was a 'deep-rooted prejudice against university graduates on the part of British management'.[421] Since it was been argued in Chapter 2 that high mental ability is important for successful management, and has become even more important over time, such a prejudice would be costly in the circumstances where the brightest young people pass through institutions of higher education.

Business was generally supportive of an expansion of selective secondary education from the start of the twentieth century. It is true that almost none supported proposals after the First World War to provide education for all young people until the age of eighteen, and relatively backward industries like mining and cotton were vehement opponents. However the Federation of British Industry, in 1918, found that more than half of 2,044 member firms replying to a survey supported an increase in secondary school places – this after a huge increase had already taken place since 1902.[422] One prominent member, Sir Henry Hibbert, declaring that 'I recommend the selection of the fittest…' went further and proposed to examine boys at 12, at 16, and then again at 18 before providing grants to support bright young people through higher education.[423]

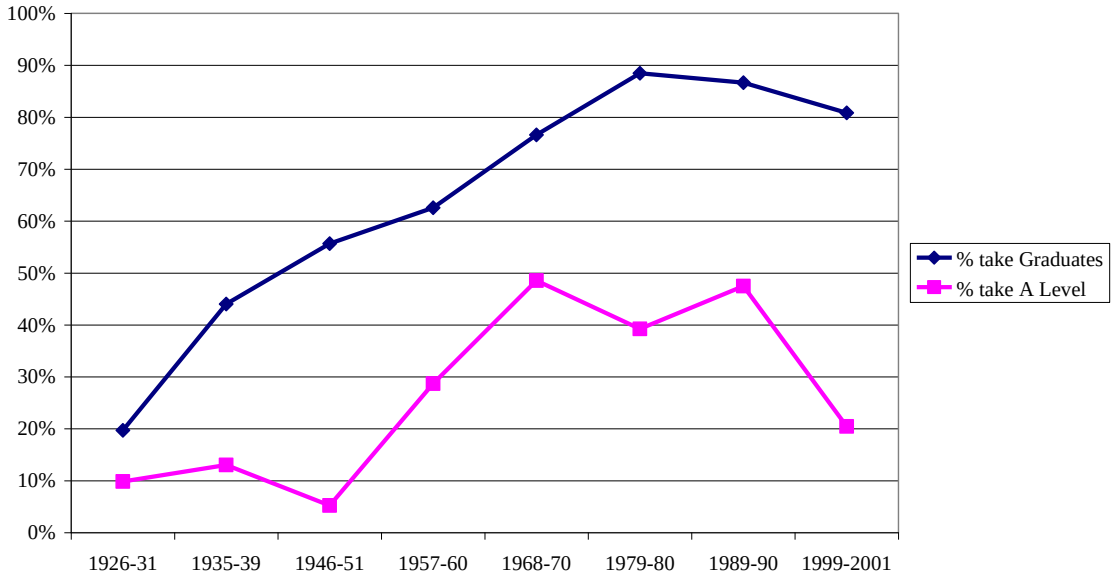
Employers' attitudes to qualifications in practice are best typified by their attitude towards the school certificate and matriculation exams between the wars. Careers advisers and educationalists alike deplored the enthusiasm with which business made

[421] Aldcroft, *Education, Training and Economic Performance* (1992), 76; Locke, *The End of the Practical Man* (1984); Keeble, *The Ability to Manage* (1992), 1, 4-6.
[422] Keeble, *The Ability to Manage* (1992), 66.
[423] Bernbaum, *Social Changes and the Schools 1918-1944* (1967), 22.

use of both exams to limit the pool of those from whom they would select candidates.[424] One careers guide in 1935 was reduced to listing those careers still open *without* school certificate as long as the candidates possessed 'some outstanding abilities or personal qualities', i.e. good maths, languages etc and the author chided those firms 'who ought to have learnt better' for using exams as a stringent 'sieve', thus losing 'many recruits with initiative and handiness'.[425] Another authority warned that it was 'increasingly unwise' for boys to leave school without School Certificate or to fail to achieve, 'accursed … Matriculation'[426] The consequence of this 'Matriculation fetish' as the headmaster of the County School for Boys, Harrow, noted was that young people took the examination even if they did not want to go to university, for which purpose it had been designed.[427] Some years later, Thomas Hedley & Co. phrased it eloquently: 'School leavers should preferably be of the calibre to have done well at university had they gone there'.[428] This shows that business was rewarding the ability to get into university, even if it did not always seek graduates as such. Lord Eustace Percy, a Labour peer, noted that, ever since the Education Act of 1902, industry had been pursuing pupils through the secondary school system 'imposing the most irrelevant academic requirements in its selection…for employment' and concluded that this 'has been the typical attitude of industry. It has not been hostile to education except in theory'.[429] Figure 3.7 provides data for graduates and A-level leavers. Similar information for School Certificate and Matriculation qualifications are not available to the same extent.

[424] 'Public Schools and Commerce', *The Times 05/11/1932* 2.
[425] Rubie, *Round Pegs* (1935), 99-105.
[426] Laborde, *Choosing a Career* (1935), 57; ISC1/11 16/06/1937 1.
[427] *The Journal of Careers*, Vol. VI, No.59 (December 1926), 5.
[428] ISC1/19/3/101 (1962).
[429] FBI/200/F/4/65/1 (1949), 55.

Figure 3.7 Percentage of database companies indicating intention to hire British graduates or A-level leavers in various sample periods



Source: Database companies are a rolling sample of medium-large employers. Lines not cumulative.

The growth in companies prepared to take A level leavers straight from public and grammar schools is significant since, in the 1930s, they often fell awkwardly between the stools of sixteen year entry and that of graduates and, so, 'it is a little difficult for a firm to make use of him'.[430] Moreover, Unilever had experimented with hiring them in the 1920s but restricted recruitment of management trainees to graduates in 1927 because of problems of maturity.[431] Yet, by 1958, British Rail was 'one of the few large employers in the country who do not have special provision for these sixth form leavers' on the non-technical side.[432] One reason for the growth was that in the 1950s most A-level leavers would have completed National Service and were therefore anyway older and more mature than was the case before or after. Moreover, the general shortage of

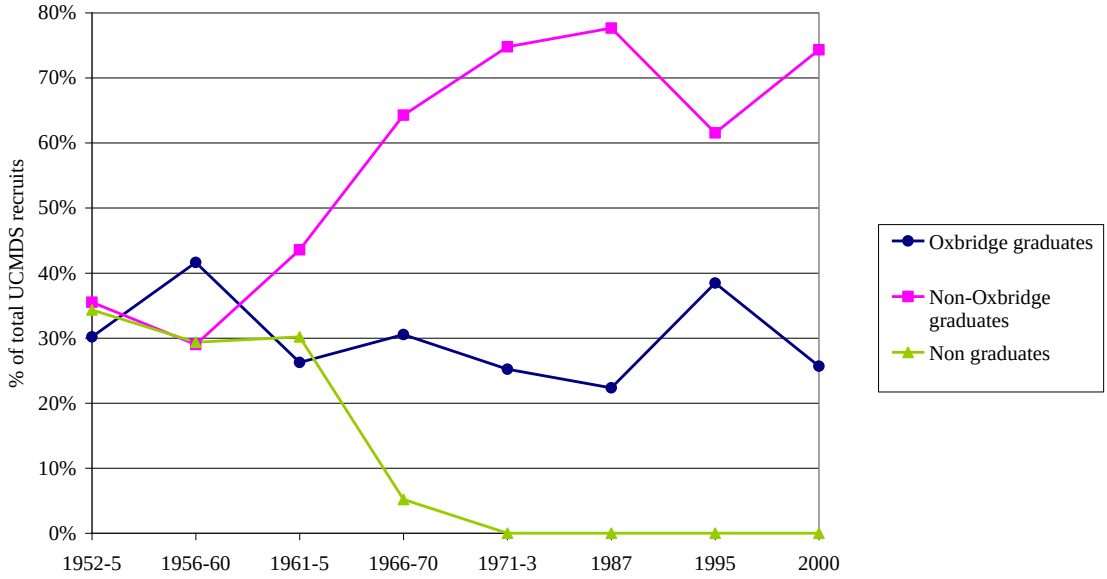
[430] PSCA AR (1933), 3.
[431] Wilson, 'Management and Policy in Large-Scale Enterprise' (1977), 135; *The Journal of Careers* (September 1934), 486.
[432] Roberts, 'Selection, Training and Promotion of Officers' (1958), 5.

labour meant that new categories of recruits might be considered. However, companies like Unilever did more than just tolerate non-technical A-level leavers and used a short-form of their sophisticated selection procedure to choose young men for management traineeships. The keenness for qualifications as evidence of intellectual ability remained unchanged, and the administrator of the main public schools careers organisation grumbled that firms claiming to seek candidates possessing mainly common sense would then call back to complain that applicants did not have A-levels.[433]

However, even as the proportion of companies advertising for A-level leavers peaked in the late 1960s, there were clear signs that few of the most able young people were prepared to cease their acquisition of qualifications at the age of 18. From the public schools, for example, no fewer than 57.4% of leavers surveyed in 1967/8 expected to go on to higher education versus 43.5% ten years before, and another 25% were headed for some other form of further education.[434] At highly selective Winchester College, 86% of leavers in 1966 intended to go to university.[435] The effects can be seen very concretely in the entry to Unilever's top level management development scheme (UCMDS):

[433] ISC1/19/3/172 (1982), 32.
[434] ISC1/19/3/112 (1965), 9; ISC1/19/2 (1982/3), 22-3.
[435] ISC1/19/3/124 (1967), 14.

Figure 3.8 Percentage of entrants to the Unilever Companies Management Development Scheme from different educational backgrounds



Source: Unilever 4 (List of UCMDS Entrants 1952-73); 1987, 1997, 2000 Unilever Graduate Recruitment Annual Reports.

At the start of the 1960s, Oxbridge graduates, other graduates, and non-graduates of all types, each represented a third of total UCMDS entrants. Many of the non-graduates were successful products of the Junior Training Scheme for A-level leavers. By the late 1960s, however, the numbers of such entrants deemed sufficiently good to join the top level scheme was very low, the junior scheme was dropped due to a lack of suitable candidates, and non-graduate recruitment was left entirely to subsidiary companies. Other large companies, such as Shell, Ford and ICI, all followed a similar pattern in their attitude towards A-level leavers.[436] Even state-owned British Rail noted in 1972 that whereas ten years previously it had taken half of its management training scheme entrants from its own staff, 90% now came direct from university.[437]

[436] e.g. APTB 10/8 (Shell), 29/9/66 JNC; ISC1/19/3/106 (1963).
[437] Prentice, *The Employment of Graduates* (1976), 2-3.

Where A-level entry survived it was usually for lower classes of jobs than was previously the case, thus attracting less able young people, and it is in this context that the apparent survival of A-level entry through the 1980s in Figure 3.7 should be understood. The different gradations can be seen in Barclays Bank in 1968. Its sophisticated international banking division, Barclays DCO, wanted graduates with at least second class degrees in certain specified subjects. The stodgier main bank took graduates with no minimum degree requirement for its development programme.[438] It sought A-level leavers too, but for a more general entry, and candidates were warned that they would need to pass banking exams to advance.[439] Perhaps the longest hold-outs to the trend were Marks & Spencer where two of the most senior managers, Sir Richard Greenbury and Derek Rayner, had both been prevented by personal circumstances from taking degrees and so insisted on retention of the policy.[440] However, by 1994 even M&S were unable to fill more than half of the vacancies for eighteen year olds to an acceptable standard.[441] Ford tried another tack with its 'Company Qualified Scheme', introduced in 1972 to give employees with certain lesser qualification a chance to join the graduate scheme, but it petered out by 1977 for lack of strong candidates.[442] Talented youngsters were all becoming students.

In the forty years before the war, recruitment of graduates by firms was common and, writing in 1914, George Williams, the headmaster of Carlisle Grammar School, noted that 'Public school boys and university men are being drawn in larger and larger

[438] CSU/2: 'Clearing House List' 1968 No.2.
[439] ISC1/19/3/147 (1973).
[440] Jim Platt-Higgins (Interview); Bevan, *The Rise and Fall of Marks and Spencer* (2001), 65; M&S advertisement, Jobbook 1990.
[441] *Janus* June 1994 1.
[442] Ford Recruitment Manual (1977).

numbers every year to business'.[443] Five years later the Manchester Guardian reckoned that industry was becoming more attractive as a career than the Civil Service.[444] The suggestion that this was all new irritated some: Ernest Walls, a director of Lever Bros., insisted that the university man in business is neither 'a rara avis nor a new species' and that a considerable proportion of university men had always gone into business.[445] Shell claimed it had taken 'scores' of Cambridge and other graduates from the early 1900s.[446]

But despite this trend, recruitment of graduates and other educated young people did not all go well. Companies such as ICI and The Ocean Accident and Guarantee Corporation were prepared to launch schemes as pure experiments.[447] Some failed because of unfortunate timing, such as Dunlop's in 1931, and others due to admitted mistakes in the schemes as at Tootal.[448] But several companies found it difficult to understand why schemes did not work despite their best efforts, like Thomas Hedleys, the Singer Sewing Machine Co and Pilkington's.[449] An observer of many of the schemes reckoned that they often experienced a 60% loss of recruits.[450] Certainly the companies needed to fine-tune their procedures but, perhaps, an apparent paradox offers an explanation. On the one hand companies complained about a lack of calibre in candidates and careers advisers claimed that demand was 'insistent and beyond the

[443] Williams, *Careers for Our Sons* (1914), 544.
[444] Keeble, *The Ability to Manage* (1992), 94.
[445] Walls E, *The School Calendar*, Vol. I, No.1 (September 1921), 12.
[446] Rubie, *Round Pegs* (1935), 218.
[447] Reader, *Imperial Chemical Industries* (2 Vols., 1975), ii, 76; APTB 14/13 piece 82 (Oriental Line).
[448] Tennyson, *Stars and Markets* (1957), 181; APTB 10/4 179 (Tootal Broadhurst Lee).
[449] APTB 10/4 155, 150 (Hedleys); APTB 14/13 piece 103 (Singer Sewing Machine Co).
[450] Transcript of Conference, FBI/200/F/3/T1/197 (1948), 32.

supply'.[451] On the other hand, it was also often noted that there were more candidates for business posts than vacancies.[452]

Before the war one of the issues discussed with considerable concern by university careers services was what was referred to unflatteringly as the problem of the 'mediocre graduate'. Whilst being generally positive about graduates, a representative of British Glues and Chemicals Ltd told the Cambridge service in 1938 that they felt many young men 'who have no special ability for anything in particular' were sent to universities.[453] The first ever formal meeting amongst careers services discussed, inter alia, the problem of the graduate with 'second class brains with second/third class personality'.[454] The Cambridge service had been worrying about this since the 1920s and had suggested pointing them towards the job registers of Chambers of Commerce.[455] Their problem was that firms felt that they could obtain equally talented young people at lower cost locally, especially since they could interview more such people and obtain more information on them. So David Brown & Sons, although retaining its policy of taking two graduates a year, saw their best approach to finding talent as hiring craft apprentices.[456] Similar sentiments were expressed by British Thomson-Houston who took graduates but found ex-apprentices typically better as a source of future managers.[457] Neither can be dismissed as backward, and their arguments fit the logic of the argument hitherto about the distribution of talent between HE and other sources. After the war, and before the 1944 Act had had its effect, graduates were still getting

[451] Reader, *Imperial Chemical Industries* (2 Vols., 1975), ii, 74-6; Keeble, *The Ability to Manage* (1992), 134-6; CUCS 7th Quinquennial Report (1937), 2.
[452] Weston, *From Appointments to Careers* (1994), 52-4.
[453] APTB 14/13 piece 11.
[454] Scott, 'Careers Advisory Provision in UK Higher Education' (1987), 4.
[455] CUCS, *History of the Cambridge University Careers Service* (2002), 17.
[456] APTB 14/13 piece 19.
[457] APTB 14/13 piece 15.

negative reviews from companies. Discussions between members of the Federation of British Industry's (FBI) Education Committee in the late 1940s suggested that many technical students were often socially immature specialists, unable to mix well, and could scarcely write reports. Likewise, an influential correspondent of the Committee's was roused to state that many arts graduates were 'pathetic' and could not believe the 'claim that they are really educated'.[458] Since the University Appointments Boards (UABs) were pressing industry to absorb a projected surplus of up to 5,000 arts graduates by 1951, and since the Committee's review of progress in Sept 1950 concluded that 'there is no evidence as yet of a substantial increase in the demand' for arts graduates, things looked gloomy.[459]

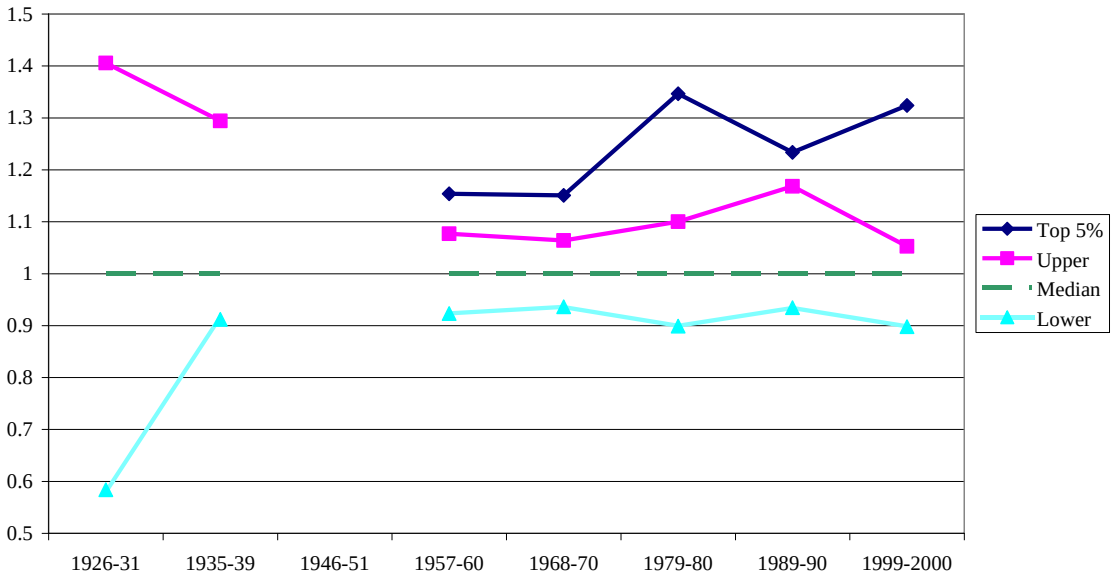
In fact, the recruitment of all types of graduates by business took off after 1950. The Committee secretary's impressions were based on the views of a rather limited cross-section of large traditional manufacturers and much of the growth in demand seems to have taken place amongst medium sized manufacturers and across a range of service industries. In their survey of the 1949/50 graduating cohort, PEP identified at least 700 industrial firms into which graduates had moved.[460] The 1950s were to see an acceleration of this recruitment trend as Figure 3.7 only partly shows: it records only the number of companies from the database recruiting young people, not the number of recruits taken by each. Taking arts graduates separately, we may note that of the 1948/9 cohort at Oxford and Cambridge, about 30% went into business.[461] Ewart Escritt of the

[458] FBI/200/F/3/T1/192 (1947-1953), meeting minutes 16/12/1948; interim report of working party January 1949; letter from H Ward (of IMRA), to BJA Bard 3/5/1949.
[459] FBI/200/F/3/T1/400, Letter H Kennewell to N Kipping 3/1/1951; letter CDL to G Withers 17/10/1950; Draft Report 'Arts Graduates in Industry', September 1950; Note for Working Party, BJA Bard 10/1/1949.
[460] PEP, *Graduates in Industry* (1957).
[461] FBI/200/F/3/T1/247, meeting 31/3/1950.

Oxford University Appointments Board calculated that there were at least fifty new occupations for arts graduates after 1945 compared with the 1939 situation.[462]

Not all students, however, were pursued by companies. As one speaker at a recruiters conference in 1973 put it: 'The mere fact that there are more graduates on the job market does not of itself mean that there is more cream. It just means that the task of finding the cream ... is proving more and more difficult'.[463] The importance of that cream – the top 5% or so by ability – had not diminished since the start of the graduate recruitment boom around 1950 and indeed starting salaries seemed to suggest that over time the premium accorded it was growing, as Figure 3.9 suggests.

Figure 3.9 Starting salaries for sub-sample of database companies, by quartiles



Source: Data from sub-sample of database companies reporting starting salary. Only years from 1957-60 include more than 50 data points, except 1979-80. 1946-51 excluded for lack of data. Salaries are annual basic remuneration without bonuses or commissions.

[462] Weston, *From Appointments to Careers* (1994), 141.
[463] SCOEG Newsletter September 1976 3.

Firms now had to seek these most able students within a context not only of many more students generally, but also they were no longer concentrated within 25 universities as in 1960 but, by 1995, in 89. It has been said that in 2001 300,000 graduates competed for fewer than 15,000 'elite' jobs.[464] The pressures created by increasing numbers of applications in both absolute terms, and relative to the numbers of vacancies, brought about a series of changes in recruitment and selection methods. Primarily this involved 'pre-selection' of candidates on the basis of their application, with various criteria being applied – A level scores, course rigour and expected degree results, and evidence of leadership activities inside or outside the educational arena etc.[465] For example, accountancy firms' pre-screening criteria reflected their experience that better degrees and higher A-level scores correlate with success in qualifying.[466] It also involved a more discriminating view of the various suppliers of candidates – the universities and polytechnics. From the 1950s onwards, the growing demand for graduates had been satisfied by expanding the number of institutions contacted and visited. For example, Ford UK had only looked to the universities of Cambridge and London in the 1950s when it took one or two graduates per year, but gradually widened its scope to include Manchester, Nottingham, Edinburgh, Sheffield, Oxford & Cardiff. By 1962 it took 42 graduates from 22 different institutions and, in 1966, looked further even than that.[467] Likewise at the height of its store expansion programme it could be said that 'No

[464] Brown et al, 'Employability' (2002), 10.
[465] Purcell & Pitcher, *Great Expectations* (1996), 46; Elias, *Moving On* (1999), 5; Harvey et al, *Graduates Work* (1997), 53.
[466] KPMG Presentation to Careers Services 1999.
[467] Ford 2 ('Ford and the Graduate – Philosophy' 1977).

campus was too remote, no polytechnic too new, no discipline too abstruse for the Marks & Spencer recruiter'.[468]

Preferential links to universities were not new, of course. For a period after its formation, each of ICI's divisions retained its own sub-culture and educational preferences: the Alkali division was rich in Oxbridge chemists; Dyestuffs or General Chemicals Divisions managers were more likely to have been to a grammar school and then a provincial university. The Billingham complex had done most of its recruiting from the Manchester area while in the Nobel Division, the Scottish day schools and universities had made a clear mark.[469] An interviewing guide from 1960 mentions an early example of targeting by a firm who, finding that 80% of its candidates came from three sources, cut away all others and reduced the number of applications by two-thirds within a year.[470] However, in most cases institutional targeting came later and less abruptly, often in times of recession. In any case, by the mid-1990s, most large recruiters had clear priorities amongst institutions.[471] An example is provided by Unilever which, by 1995, had already reduced the number of universities visited to 25 from about 40 in the 1980s. Feeling that it was still losing the fight for top talent to its highly focused rival Procter & Gamble it reduced the number of universities visited to just 15, namely those with the highest A level scores and most active student societies.[472] Depending on their perceived needs, different companies adopted varying levels of focus – Glaxo to six main targets, BP ten, KPMG twenty, Esso twenty-two and Boots thirty.[473]

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[468] APTB 10/11.
[469] Reader, *Imperial Chemical Industries* (2 Vols., 1975), ii, 71-3.
[470] Sidney & Brown, *The Skills of Interviewing* (1961), 378.
[471] Gilleard, 'The Changing Graduate Market' (2003).
[472] John Bulpitt (Interview); Unilever Graduate Recruitment Report (1998), 6.
[473] Richard Stokes (Interview); OUCS/3 (BP), *The Network* (February 1996); OUCS/3 (Esso), Presentation Slides Autumn 2000; OUCS/3 (Boots), visit note MJD 17/09/1993.

The key issue was the level of ability of students emerging from different types of institution. Although they offered more 'relevant' degrees, companies were never convinced that the average ability of polytechnic graduates was as high as in the universities – Unilever was not alone in initially refusing to consider graduates of polytechnic courses.[474] A 1971 study seemed to confirm this view when it found that 44% of university students scored in the two highest categories of an academic aptitude test, versus 20% of polytechnic and 10% of college students.[475] This was perhaps predictable insofar as entry qualifications for university students were typically higher and less variable than in the polytechnics.[476] When firms did make conscious efforts to try and recruit from the polytechnics, as Esso had done in the 1980s, reviews of performance found that non-university graduates were not doing as well.[477] Even amongst the universities it is well known that certain institutions are rated higher by managers, teachers and the public.[478] This is confirmed by the relative success of graduates from Oxford and Cambridge in passing selection tests and professional examinations.[479]

As one might expect, recruiters are also attracted by the possibilities of gaining access to larger numbers of candidates efficiently by dealing with larger institutions. In the 1940s Oxford and Cambridge were still the largest producers of graduates nationally after London, especially of arts graduates interested in industry, and a 1972 survey of 82

[474] ISC1/19/3/126 (1967), 10.
[475] McConnell et al, *From Elite to Mass to Universal Higher Education* (1973), 13.
[476] Lyon, 'Humanities Graduates in the Labour Market' (1992), 128-133.
[477] Jim Platt-Higgins (Interview).
[478] Brown & Scase, *Higher Education and Corporate Realities* (1994), 45.
[479] Civil Service Commission, *Selection Procedure for the Recruitment of Administration Trainees* (1979), 4; ISC1/19/3/188 (1987), 12.

employers found that size of institution was still a major criterion for planning visits.[480] Leading educational and business institutions have an interest to collaborate to maintain their reputations for quality – including as suppliers and employers of the most able – and this has led to assortative matching through both informal and formal cooperation.[481]

Too much explicit discussion of ability, however, is liable to make both academics and business people squirm and the whole area of targeting has been fraught with tension and controversy, since there has been statistical under-representation of young people from certain social categories who may not perform so well within the academic system and may not succeed as well in identifying themselves as high ability. Most employers, in the words of Esso, have been keen to avoid any potential accusation of 'snobbery, traditionalism, or favouritism'.[482] Nonetheless, careers advisers have still worried sometimes that recruiters might take too conservative a view of the graduate recruitment market i.e. continue to seek traditionally bright people with high analytical skills and evidence of extra-curricular life.[483] Some of the egalitarian left have been blunter, accusing employers of 'Snobbery, cowardice and a kind of nepotism' in their approach, especially regarding the polytechnics.[484]

[480] FBI/200/F/3/T1/247 (1947-53), Meeting Minutes 31/03/1950; AGCAS/19 ('Visits Planned Spring Term 1972').
[481] Brown et al, 'Employability' (2002), 29-30.
[482] Esso: Graduate Recruitment Report (1989).
[483] Purcell & Pitcher, *Great Expectations* (1996), 46.
[484] Warrell, *Employers and Graduate Recruitment* (1993), 25.

3.4 The Limits of Qualifications

The argument of this chapter has been that firms pursued mental ability using qualifications as proxies, to the extent that the educational system has provided useful identification of the most able. However, as the case of A levels demonstrates, the relationship between the essential goal (ability) and proxy (qualifications) is not constant and precise. The closeness of the relationship is affected by several factors and these form an important part of the context in which firms may be judged for the manifestation of their interest in young people.

Firstly, although a higher qualification has generally been taken as evidence of more desirable ability than a lower one, the correlation is not perfect. For much of the last seventy years, qualifications above first degree were seen as evidence of specialisation for research rather than greater ability and might even be treated with suspicion for recruitment of potential managers. Only relatively recently have masters degrees for example becomes a means of differentiation by ability in the UK in the same way as graduate degrees in the USA have been for many years. By 1998, almost a quarter of candidates for Unilever's UCMDS scheme had graduate degrees.[485] On the other hand, graduates with first class degrees have only sometimes been treated as better candidates than those with seconds. The reason is provided by the head of the Oxford careers service, Ewart Escritt, in 1948:

> 'There are two kinds of first-class intelligence ... that of the man whose nature it is to fall in love with the world of ideas (he gets a First), and that of the man whose

[485] Shanahan, 'Masters of the Universe' (2002); Unilever Graduate Recruitment Report (1998).

> nature it is to be more interested in the practical application of ideas. Their intelligence is of equal IQ rating, but the latter category don't necessarily get Firsts, because they spread their interests and activities so widely. The one...is First-Class; the other first class, and with few exceptions is the chap wanted in industry and commerce'.[486]

As the graduate recruitment boom developed the implied suspicion of Firsts seems to have disappeared: whereas PEP's 'Graduates in Industry' study felt that firms showed a distinct anti-academic bias especially for non-technical graduates, a later, and more detailed, study of arts graduates found no real bias of this type.[487] 27 out of 57 firms even preferred to take men with first class degrees and a further 26 said they did not have feelings one way or another. As for pass degrees, thirteen said they would prefer not to take them and 38 were indifferent. Nonetheless, even blue chip companies such as Unilever seem scarcely to have sought academic prowess in the late 1950s and 1960s: One 1959 entrant had completed just a year of his Oxford degree. Likewise the long term head of Manchester University's careers service remembered that in the late 1960s/early 1970s some typical entrants had a third in Law, a lower second in geography, and a pass paper in Politics. Unilever were upset to lose one candidate who obtained an ordinary degree at the second attempt after spending two years in the Antarctic.[488] Recruiters were aware that the firm was seen to favour personality over intellect, but this was only reversed following business difficulties in the 1970s.[489] This suggests that firms often focused only on certain threshold qualifications before proceeding immediately thereafter to consider other personal qualities.

A second proviso to the link between ability and qualifications is that after weighing up the relative importance of ability compared with personal qualities, smaller

[486] cited in SCOEG, *Newsletter* (April 1977), 18.
[487] PEP, *Graduates in Industry* (1957), 14-16; Collins et al, *The Arts Graduate in Industry* (1962), 22-3.
[488] Holloway, 'Higher Education and Employment in the 1970s' (1971), 13.
[489] APTB 10/29 (24/9/1973 WPK).

and less bureaucratised firms were less likely to pay attention to qualifications.[490] A study for the Bolton Committee, in 1971, found that with the exception of the electronics industry small firms only employed about half the qualified scientists and engineers per unit of output as larger companies.[491] For example, one small producer of stainless steel looking for young man with management potential wanted a bias towards science and mechanical things 'perhaps having just failed to pass at A level'.[492] Likewise, in the 1970s, H.C. Slingsby Ltd, manufacturers of hand-operated equipment sought an assistant for the director, preferably with O levels but felt that common sense, practical ability and willingness to learn were more important.[493]

Qualifications are not just signals of ability, but also proof of exposure to, and absorption of, certain skills and knowledge. They also potentially provide information on other desirable features of the holder. Although 'employability' factors may be 'described in terms of achievements which we do not usually find are central to undergraduate programme specification' the process of obtaining a degree also involves a so-called 'hidden curriculum' of spending time with colleagues, teachers, and playing a role within an institution – i.e. socialisation.[494] In the first extensive British debate on this subject, regarding the introduction of written examinations for entry into the Civil Service in the mid-nineteenth century, Lord Macaulay, saw no opposition between the qualities of mind and character because 'the men who were first in the competition of the schools have been first in the competition of the world', and studies provided a proxy for the 'existence of some qualities which are securities against vice – industry,

[490] Cheung, 'Meritocracy Revisited' (1997), i.
[491] cited in Brown, *Graduates and the Small Firm* (1978), 7.
[492] ISC1/18 04/08/1967 (C.Skerman & Sons).
[493] ISC1/18 July 1974.
[494] Shackleton, *Training Too Much?* (1992), 74; Knight, 'Employability in the First Graduate Job' (2002), 26.

self-denial, a taste for pleasures not sensual, a laudable desire of honourable distinction, a still more laudable desire to obtain the approbation of friends and relations'.[495] Otherwise said, qualifications can be seen to 'reward and certify displays of middle class discipline', involving the values of industriousness, seriousness of purpose, salutary personal habits and styles, i.e. signals of character.[496] Qualifications can also provide proxies for better health, greater likelihood of taking exercise, social contacts, community participation, lower absenteeism, smoking and drinking less.[497]

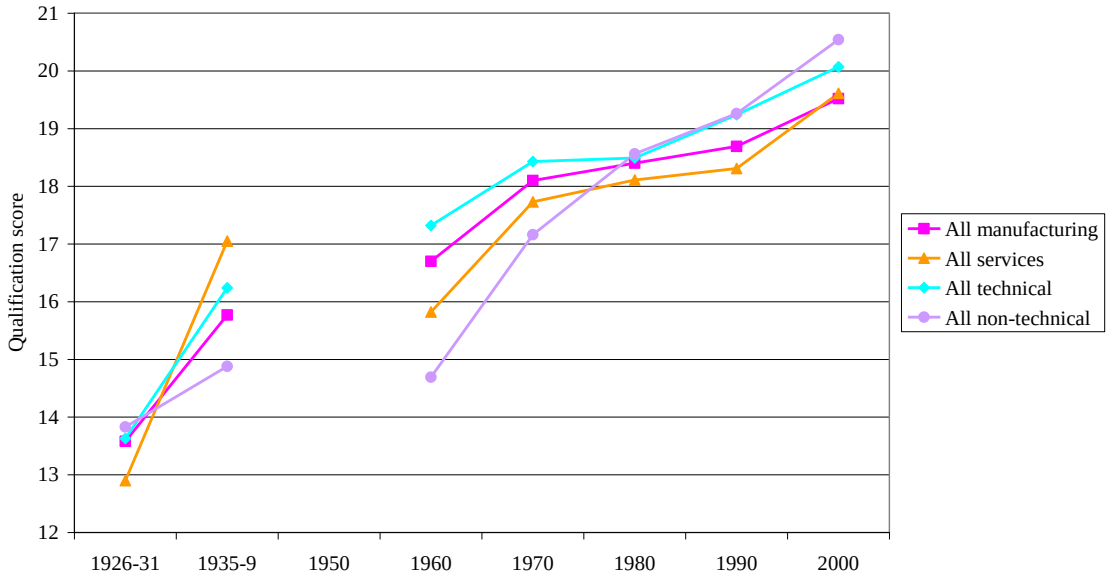
Fourthly, like any process of signalling the signallers may, consciously or not, send confused or even false signals. This is partly because any proxy used for measurement of an important quality is likely to be distorted by the process since agents are aware of the advantages of modifying their behaviour accordingly. Consequently Ronald Dore felt that the use of exams as a measure of ability and merit was turning education away from educating minds and characters towards a 'ritualized process of qualification-earning' with the qualifications often failing to signal competence, undermining intrinsic motivation for education, and adding little human capital.[498] Also, although ability is hard to fake significantly, money can be employed to ease the learning process and, besides, like any normal good, one would expect the wealthy to 'consume' more education.[499] Given the goal of differentiation between the able and less able, strange

[495] Greenleaf, *The British Political Tradition* (3 Vols., 1983), iii 156-7; Chapman, *Leadership in the Civil Service* (1984), 13.
[496] Brown & Scase, *Higher Education and Corporate Realities* (1994), 17; Berg, *Education and Jobs* (1971), 78.
[497] 'What Money Can't Buy', *Economist* (12/05/2001), 85; Weiss, 'Human Capital vs. Signalling Theories of Wages' (1995), 133.
[498] *Assessment in Education* 5, 8.
[499] Weiss, 'Human Capital vs. Signalling Theories of Wages' (1995), 134-7, 146.

signalling strategies may emerge, including people signalling that they are less bright than in reality.[500]

Lastly, an implication of the screening model implicitly involved here is that fluctuations in the supply of, and demand for, young people will lead to adjustments in hiring standards as expressed by qualifications.[501] Indeed, with huge increases in degree and other qualifications over the last fifty years the average qualification level sought by companies when seeking the most able young people has evolved over time, as Figure 3.10 shows.

Figure 3.10 Changes in average qualifications sought by database companies, with positions classified by sector and by function within firm



Source: Database companies classified using SIC codes to three digits using descriptions of activity in each sample period from data sources. Where company involved in more than one sector, apparently larger one used; Vacancy function classified between technical and administrative as shown in Figure A.4 in Appendix 1. Qualification scale is author's, and attempts to place specified requirements into proper relative position. Classifying academic qualifications sought over the last seventy years is complicated by changes in exam systems, varying requirements for attainment in the context of a specific qualification, and by the use of nuanced language in vacancy notices. Consequently, an extensive scale was created, banded into the standard qualification groupings (see Figure A.6, Appendix 1). A default qualification was assigned depending on the source, if explicit specification was not made. E.g. all vacancies in the graduate careers directories were assumed to require at least a pass degree unless some other mention was made.

[500] Feltovich et al 'Too Cool for School?' (2002).
[501] Shackleton, *Training Too Much?* (1992), 34.

The scale used here is somewhat arbitrary: possession of two A levels is scored as 15; a degree of any type as 20, and 22 implies a minimum of a 2,2 degree. Nonetheless, the tendency across all categories of jobs is clear. That inflation accelerated after the mid-1980s when the then government moved exam scoring from a relative to an absolute basis which has ensured that an ever-increasing proportion of young people get top grades. So, whereas in 1950 22% of candidates passed the O-level (taken at 16) maths examination, and 25% in 1985, by 2001 55% passed it, primarily because the marks needed for an average pass had been lowered from 65% in 1989 to 45% in 2000.[502] At A-levels the pass rate rose from about 70% in 1951, via 68.7% in 1980 to 86% in 1996.[503] At university just 60% of students graduated with first class or second class degrees in 1950 versus 96% now.[504] Regardless of whether one believes in this degree of progress of progress in results over time, the effect for recruiters is to reduce the information available to distinguish the brightest. This has diminished trust in the use of qualifications as a proxy for intelligence and propelled growth in ability testing by companies.

At any given time, therefore, identifying young people of a given level of ability involves an 'exchange rate' between qualification and underlying ability. Lord Percy made use of this concept in 1948 stating that a boy in a provincial university is 'the sort of man you used to find at 16 in secondary schools, not like the Oxbridge graduate of 40 years ago'.[505] Likewise, Bernard Holloway, head of the Manchester University Careers Service, reckoned that 'The graduate of the 1980s is of the same level of ability as (or

[502] Woodhead, *Class War* (2002), 11-15.
[503] EDB 82 (1996).
[504] Weston, *From Appointments to Careers* (1994), 161.
[505] FBI/200/F/4/65/1 (1949), 55.

even of lower ability than) the A level schoolboy of the 1960s or the school certificate holder of the 1940s. When employers understand this they will react to it, and the consequent upgrading of the academic level required by them will largely be caused by their need to maintain standards of entry, not their desire to increase them'.[506] He also noted that in the 1970s there was a higher proportion of degrees gained by each cohort than took the London matriculation exam in the 1920s.[507]

Holloway's prediction can be seen in the recruitment patterns of perhaps the oldest large-scale recruiter of graduates: the Civil Service. Although it had formally taken graduates since the 1940s into its mid-level 'executive officer' grade – as opposed to the high-flying administrative grade – in practice less than 6% of the grade intake was graduate in the mid-1960s. When asked why, Sir John Hunt replied that this was because 'we do not wish to have on our hands armies of frustrated and under-employed graduates'. Yet, by 1969, the Civil Service took 373 graduates into the grade (14.6% of the total) and in 1974 1,850 of them. Hunt's successor admitted that Holloway had predicted well that 'our recruitment of graduates at EO level is primarily a reaction to the development of the educational system rather than a demand on our part for higher talents than the Executive Officer of 15 years ago possessed'..[508] This parallels the finding in the USA that there was little sign of correlation between changes in technological complexity and qualification inflation.[509]

The difficulties of knowing exactly when young people of different levels of ability could be found consistently at different qualification levels, as well as the inherent

[506] Holloway, 'Higher Education and Employment' (1973), 7.
[507] BJH/10: 1971 Conference Presentation.
[508] FBI/200/F/3/T1/197 (1948), 22; BJH/2: 'The relevance of higher education' (1975); BJH/9: letter Allen to BJH 12/10/1976.
[509] Berg, *Education and Jobs* (1971), 83.

"lumpiness" of such change, meant that adjustment was not continual and smooth. So, at the level of individual firms in the high-technology area, McGovern found that adjustment of qualification demands took place periodically with periods of continuity in between.[510] In addition, specified and real minimum qualifications might diverge over time: in the early 1970s, BOAC's formal requirement for non-pilot general apprenticeship was just four O levels but, in fact, heavy competition for places (400 applications for 25 places) meant that applicants needed at least two As to be considered.[511]

An unfortunate side-effect of this inflation in qualifications was that expectations about what a certain qualification might reasonably allow a young person to apply for in the job market might not match employers' actual requirements. From the early 1970s onwards this generated an extensive academic and media debate about over-qualification in the UK, USA and elsewhere.[512] Whilst it is true that over-regulated and inflexible labour markets sustained significant graduate unemployment in France, Germany and Japan in the 1930s and more recently, British graduate employers tended to focus on jobs and skills rather than qualifications, well-represented by the comment of one leading recruiter that there are 'no such things as graduate jobs and non-graduate jobs, but just jobs'.[513] Students and educators might be upset by their unfulfilled expectations, but economists were less surprised and echoed the comments of a spokesmen for university staff in 1971 who noted that 'it is more than obvious that a degree which is

[510] McGovern, 'Multinational Firms and Qualification Inflation' (1995), 6-7.
[511] ISC1/19/3/143 (1972), 35.
[512] e.g. O'Toole, 'The Reserve Army of the Underemployed' (1975), 30-2, 63; Rumberger, *Overeducation in the US Labour Market* (1981), 6-15, 72; Harvey et al, *Graduates Work* (1997), 39.
[513] Jim Thomson, SCOEG Newsletter October 1972 3.

open to 25% of the age group can no longer be an exclusive passport to the top 5 percent of the jobs'.[514]

3.5 UK Specificity?

In France, a 1970 study by APEC found that 68% of those recruited to management level jobs – the *cadres* - were hired from the *grandes école*s (producing perhaps 10,000 graduates a year) as opposed to just 6% from the universities (70,000/year).[515] The incentive to obtain such an advantaged status is high and means the institutions have long been less of a school and more like a selection procedure.[516] The time and costs of competing for entry, including two years studying post-*Baccalaureat*, mean that many talented candidates leave the race prematurely, above all those from working class backgrounds whose representation in the best institutions has fallen over time.[517] Instead many such young people go to less prestigious studies in universities which are less likely to lead to leadership positions.[518] It is true that traditional private firms, such as Danone, Michelin, Carrefour, AXA and L'Oreal, have relied less strongly on the *grandes école*s but this does not always mean that wide social representation in these firms is higher.[519]

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[514] Green & McIntosh, *Underutilisation of Skills* (2002), 8, 17; Jenkins, *Companies' Use of Psychometric Testing* (2001), 10; McConnell et al, *From Elite to Mass to Universal Higher Education* (1973), 24.
[515] Boltanski, *Cadres in French Society* (1987), 189.
[516] Kotschnig, *Unemployment in the Learned Professions* (1937), 76; Jacques Attali in *Time* (22/04/2002), 64.
[517] Brezis & Crouzet, 'Recruitment and Education of Upper Elites' (2002), 11; *Time* (22/04/2002), 64; Wolf, *Does Education Matter?* (2002), 210.
[518] Cheung, 'Meritocracy Revisited' (1997), 10.
[519] Swartz, 'French Corporate Leadership' (1984), 12.

Japan has also made strong use of degree qualifications and grades in making hiring decisions. Since at least the 1960s, firms' expectations have been made perfectly explicit in employment manuals.[520] More generally, the Japanese education system has been called a 'large-scale and very expensive IQ testing system' with an individual's relative position expressed in a standard deviation score.[521] The elite state universities, except in certain elite technical areas, are also notorious for being harder to get into than get through – a strong sign of an ability screening function.[522] Access to the requisite education, however, has been subject to 'vast class differences', even if one study acclaimed by the Ministry of Education ranked Japan third out of ten nations in terms of socially-balanced educational opportunities – after the USA and the UK.[523] At the University of Tokyo, for example, family incomes of the average freshman are way above average.[524] In recent years the role of personal connections in business recruitment – something which favoured the upper classes – has diminished and firms have become more likely to hire from less prestigious institutions.[525]

The German educational system is less institutionally elitist than those of the others described here, although its commitment to credentials has been, if anything, even more radical, traditionally encompassed in the national credentials system called *Berechtigungswesen* with hundreds of careers requiring HE qualifications.[526] The system, nonetheless, has been socially exclusive with German research finding that the major part of variations in tertiary education enrolment can be explained by social

[520] Azumi, *Higher Education and Business Recruitment* (1969), 62.
[521] *Assessment in Education* 56.
[522] Cutt, *An Empire of Schools* (1997), 17.
[523] Azumi, *Higher Education and Business Recruitment* (1969), 66.
[524] Cutt, *An Empire of Schools* (1997), 19.
[525] Azumi, *Higher Education and Business Recruitment* (1969), 69; Rebick, *Market for University Graduates in Japan* (1998), i.
[526] Kotschnig, *Unemployment in the Learned Professions* (1937), 74, 249.

background, with working class students less common than in the UK, and with a shrinking proportion of them since the 1970s.[527]

Although the American higher education system expanded earlier and further than elsewhere, its relevance for business recruitment reached critical mass only from the early 1940s, and firms remained open to the possibility of finding managerial talent elsewhere.[528] Suspicion of graduates has not been limited to frustrated self-help writers or mavericks such as Henry Ford with his abhorrence of administration and academia, but also encompasses successful companies such as Microsoft, Wal-Mart and McDonalds.[529] Even mainstream business in 1924 did 'not care per se whether the young people coming into its employ are…college trained or not' but did want 'the grit, the courage, the character' which make leaders.[530] Even at the height of the recruitment boom, in 1957 when they took 2,500 graduates, nearly a fifth of General Electric's management trainees were non-graduates.[531] For all that, the elite universities and top companies have struggled with the same accusations as in the UK that their recruitment has failed to tap into all the relevant sources of talent.[532]

Given the earlier expansion of higher education abroad, we might expect that the growth in numbers of graduates, and inflation in qualifications generally, would make the identification of talent more difficult at some point and force companies to seek distinction by institution or other criteria.

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[527] Lauer, *Enrolments in Higher Education in West Germany* (2000), 14-17; Kotschnig, *Unemployment in the Learned Professions* (1937), 58; Wolf, *Does Education Matter?* (2002), 193.
[528] NICB, *College Graduates in Industry* (1948), 5, *Experience with Psychological Tests* (1948), 4; *Employment of the College Graduate* (1956), 7; McConnell et al, *From Elite to Mass to Universal Higher Education* (1973), 9.
[529] Hilkey, *Character is Capital* (1997), 107; Love, *McDonald's: Behind the Arches* (1987), 92-3.
[530] Simpson, *Business and the College Man* (Yale 1924), 9.
[531] Crowe, 'Pre-Graduation Recruitment of College Students' (1957), 43.
[532] MacDonald, 'University-Level Recruitment and Placement' (1969), 2; Valleau, 'Management Succession and Preselection' (1967), 45-6; Aldcroft & Slaven, *Enterprise and Management* (1995), 97.

In France, between 1960 and 1975, discussion about HE moved from the optimistic ideas of modernization and circulation of the élite, to criticism of graduate overproduction and the futility of much HE.[533] Firms became more reluctant to recruit within the universities where entry depended only on achieving *Baccalaureat* and where, therefore, many more students needed to be interviewed to find a single recruit than in the Grandes Écoles.[534] Students were reluctant to attend new HE institutions such as the technical institutes (IUT) for fear that they were seen less well than universities.[535] Firms – including foreign ones like Nestle and Coopers & Lybrand - have stuck, therefore, to the policy of recruiting most of their *cadres* from top institutions.[536]

Like France, Germany went through a pessimistic phase in the 1970s regarding the viability of mass higher education, with fears that graduates were becoming an 'academic proletariat' as the jobs they might aspire to became less exalted.[537] From at least the 1980s, firms such as Ford focused increasingly for their top quality recruits on institutions such as the economics faculties in Cologne, Bonn or Mannheim, and may have avoided universities such as Bremen and the Free University of Berlin.[538] Henkel, for example, focused in the early 1990s on four institutions for engineering, four for marketing and two others.[539]

As the pioneer of HE expansion, the USA experienced qualification inflation earlier than most: in 1958 the Dean of Admissions at Harvard noted that of fifty graduates of the class of 1928 who had been nominated for signal honours due to outstanding career

[533] Boltanski, *Cadres in French Society* (1987), 188.
[534] Handy et al, *Making Managers* (1988), 100.
[535] Wolf, *Does Education Matter?* (2002), 182.
[536] AGCAS, *Visit to European Employers* (1993).
[537] Sanyal, *Higher Education and Employment* (1987), 123-132.
[538] Handy et al, *Making Managers* (1988), 139; Stephanie Decker (Interview).
[539] Mitchell, *The Selection and Career Development of Graduates* (1991), annex.

accomplishments most would have been rejected entry on the new criteria.[540] By the 1970s, there appeared to be an oversupply of graduates leading to various gloomy analyses.[541] With a huge range of institutions, firms began to pick between them according to academic standing and other objective or subjective factors.[542] They also cut the numbers of campuses visited with, for example, EDS recruiting from only 34 locations in 1992 down from a previous 500, and Monsanto cutting from 100 to 12.[543]

Japan appears as the one exception to the trend of increased institutional differentiation. In the late 1950s, one survey found that 89% of recruiters specified which universities they would accept applications from, but this had dropped by 1961 to fewer than 50%.[544] It remained true in 1970 that graduates from the top universities bypassed company entrance exams and went straight to interview, and that university ranking remained an important pre-selection criterion into the 1980s, but with time the prestige of private universities grew and blurred old hierarchies.[545] The result into the 1990s was that both large traditional companies such as NTT, and newer firms like Kyocera, looked for a broader variety of graduate sources.[546] The context of this fall, however, was the initially very hierarchical approach to institutions and recent moves are not a negation of differentiation as such, just an increased recognition of the diversity of talent sources.

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[540] cited in Livingston, 'Myth of the Well-Educated Manager' (1971), 97.
[541] Rumberger, *Overeducation in the US Labour Market* (1981); Freeman, *The Overeducated American* (1976).
[542] Denton, *Recruitment, Retention, and Employee Relations* (1992), Ch.4; Nemecek, 'Employers' Decision-Making Structures' (1987), 136, 180, 199; Rynes & Boudreau, 'College Recruiting' (1986), 743.
[543] SCOEG news September 1983 5; Graham & Craigie, *Insights in Graduate Recruitment* (1996), 36-7.
[544] Azumi, *Higher Education and Business Recruitment* (1969), 60, 104.
[545] Dore, *British Factory Japanese Factory* (1973), 50; *Assessment in Education* 54, 59.
[546] Okazaki-Ward, *Management Education and Training in Japan* (1993), 157, 160-2; Wood, *The End of Japan Inc.* (1994), 176.

The UK, we may conclude, does not stand out as obviously retrograde in its use of credentials in identifying ability, even if qualification inflation and the expansion of HE started later. Likewise increasing reliance on perceived HE institution quality as a proxy for student ability appears to be a generalised phenomenon.

Chapter 4: The Relevance of 'Relevance'

At a meeting between industrialists and academics in 1949, a senior manager from Anglo-Iranian (later BP) bemoaned what he saw as a 'famine of technologists and a feast of arts graduates'.[547] That famine, and the parallel one of people trained in business-related disciplines, has been observed and deplored as economically damaging by historians too, and blamed on social attitudes, university indifference, and business heedlessness.[548] It is said that rather than supporting commerce degree courses pre-war, companies were implicitly persuaded instead by Macaulay's belief that it did not matter whether students learned classics or the Cherokee language, Newtonian or Ptolemaic physics, since people who learned best would still be superior.[549]

There are, however, problems with this perspective. As this chapter shows, the UK recruitment market has, in fact, manifested common-sensical relations between degrees and work. Vocationalism abroad has been more qualified than sometimes imagined, while UK particularism is limited to a single area. The international trend *away* from vocationalism over the last thirty years makes Britain look less unusual.

The education of graduates has implications both for the skills and knowledge potentially available to employers, but also for the career prospects of students themselves. Surveys of young people (and their parents) have shown strong support for the idea that university should be a preparation for working life rather than just a means

[547] FBI/200/F/4/65/1 (1949), 50.
[548] Locke, *Management and Higher Education* (1989), 214-6; Stewart et al, *Managing in Britain and Germany* (1994), 158; Barnett, *The Audit of War* (1986), 215-222.
[549] Chapman & Greenaway, *The Dynamics of Administrative Reform* (1980), 39.

to satisfy intellectual curiosity.[550] Arts and pure science graduates have long obtained worse employment outcomes across a series of dimensions: the proportion obtaining full time employment; those entering work considered appropriate for their skills; wage premia over less qualified young people; job status, opportunities and satisfaction.[551]

These results are replicated abroad as well. Japanese and American students agree on the importance of obtaining vocational competencies at university.[552] German technical and business graduates have been happier with their employment outcomes than those from less 'relevant' courses.[553] The result is that the most able students both there and in Japan are more likely to take vocational degrees.[554] For employers this means that they can focus their recruitment resources on faculties where teaching is relevant to their needs and they hire few humanities students, who are seen as less able.[555] Needs differ between industries, of course, but, for example in France and Germany, large companies in ceramics, chemicals, publishing, electronics and steel all staff themselves overwhelmingly with scientists, technologists and business graduates.[556] A survey of 49 large companies in Hamburg in 1980 found that just seven employed humanities graduates, totalling thirteen employees.[557]

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[550] BJH/13. 'Higher Education and Employment' (1973), 3; BJH/8: 'A View From the Interface' (1971), 1.
[551] Whiteway Research, *Graduate Training and Retention* (1993), 10; Kelsall et al, *Six Years After* (1970), 16; Purcell et al, *Working Out?* (1999), 4, 30-1; Purcell & Pitcher, *Great Expectations* (1996), 11; Boys, 'Employment, Skills and Career Orientation' (1992), 116; Boys & Kirkland, *Degrees of Success* (1986), 11; PEP, *Graduates in Industry* (1957), 191; Elias, *Moving On* (1999), 28-30.
[552] NACE, *The Employer's Guide to College Recruiting* (2000), section 3-3; Jolivet, *L'Universite au Service de l'Economie Japonaise* (1985), 55.
[553] OECD, *From Higher Education to Employment* (1993), 109; EMPAS, *Die Bremener Absolventenstudie* (2001), 6-10.
[554] Brennan et al, *The Employment of UK Graduates* (2001), 11.
[555] Mitchell, *Selection and Career Development of Graduates* (1991), 4; CSU, *Entry of New Graduates* (1991), 14.
[556] Mitchell, *Selection and Career Development of Graduates* (1991), annexes.
[557] Randlesome, 'West Germany' (1988), 139.

Even in the USA, where a strong academic tradition of liberal arts teaching and research has existed, business has often treated humanities graduates with reticence. Senior managers may have praised the virtues of rounded liberal arts studies in the 1950s and subsequently, but recruiters and line managers, especially in small and medium-sized companies, have avoided recruiting them, preferring business and technical specialists as potential managers.[558] In 1988, just 29% of firms recruiting from colleges took liberal arts graduates versus 53% taking engineers and 69% business administration.[559] After all, whereas a business administration graduate could be put to work in accounting, production planning, and sales/marketing, an English graduate can do just the latter, implying less flexibility for the employer.[560] Students understood the nature of demand and favoured those faculties offering the best career prospects.[561]

In theory, too, a strong relationship between the educational system and the economy makes intuitive sense, and the desirability of a deepening division of labour has been a commonplace since Adam Smith described the manufacturing of pins. Some economists have posited that whilst engineers enhance economic growth, less-relevant degrees (e.g. law) would destroy value by diverting talent away from innovatory activities.[562] By contrast, the evidence of Table 4.1 is that those senior British managers who did obtain degree level qualifications were less likely to have studied subjects related to their work when compared with managers abroad. It is in this international context that British attitudes can seem perverse.

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[558] Whyte, *The Organization Man* (1956), 86-7, 111-3; AACP, *Education for Management* (1951), 20; Gordon & Howell, *Higher Education for Business* (1959), 88; Useem, *Liberal Education and the Corporation* (1989), 26, 46, 96.
[559] PPF, *Recruitment and Selection Procedures* (1988), 15.
[560] Mandell, *The Selection Process* (1964), 153.
[561] Useem, *Liberal Education and the Corporation* (1989), 9-10.
[562] Murphy et al 'The Allocation of Talent' (1991).

TABLE 4.1: The fields of higher education of business leaders in Britain, France and Germany, percentages, selected years

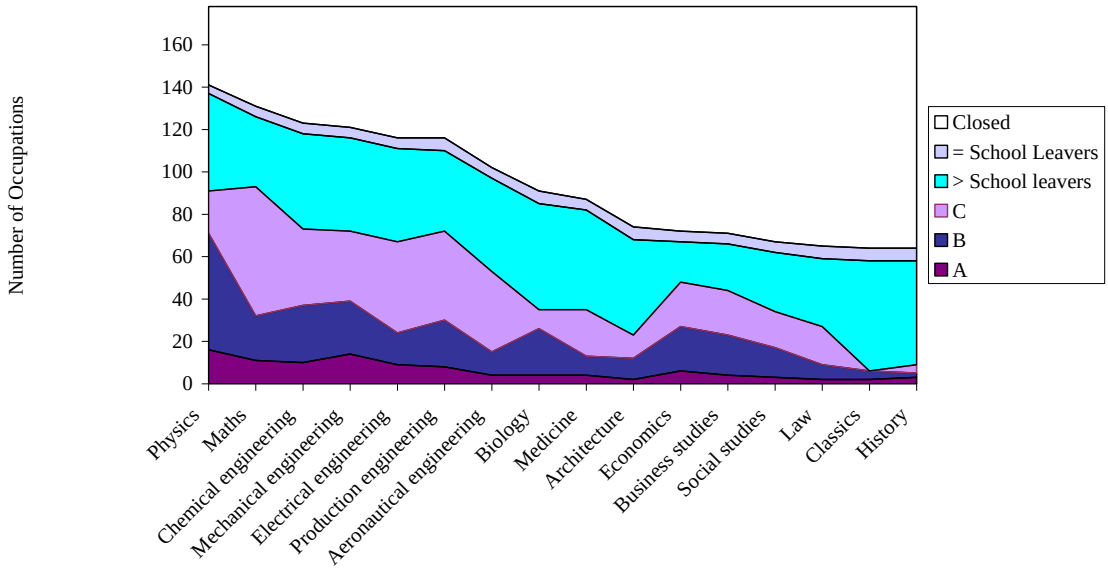
	1907			1953			1972			1989		
	GB	**FR**	**GER**	**GB**	**FR**	**GER**	**GB**	**FR**	**GER**	**GB**	**FR**	**GER**
Arts	**26**	**10**	**4**	**8**	**3**	**0**	**3**	**0**	**0**	**10**	**12**	**0**
Economics	**0**	**5**	**0**	**11**	**3**	**9**	**19**	**4**	**10**	**27**	**15**	**31**
Law/ politics	**30**	**14**	**38**	**11**	**18**	**39**	**17**	**35**	**44**	**10**	**22**	**32**
Science/ technical	**9**	**71**	**50**	**19**	**62**	**48**	**19**	**57**	**37**	**20**	**50**	**25**
Others	**35**	**0**	**4**	**51**	**6**	**4**	**39**	**0**	**7**	**27**	**0**	**6**

Source: Estimates by Cassis based on unspecified work by him. N=68 1907; N=120 1929; N=146 1953; N=121 1972; N=128 1989. Cassis, *Big Business* (1997), 135.

4.1 British Vocationalism

The UK recruitment market does not generally violate intuitions about the relative usefulness of different degrees in obtaining jobs, or the openness of different professions to those without directly relevant qualifications. Figure 4.1, displaying data on the acceptability of various degrees for entry into 180 occupations in 1973, shows that certain degrees offer wider career options (categories A, B & C). Broadly speaking, the scientific and technical graduates had many more options than those from the social sciences or the humanities.

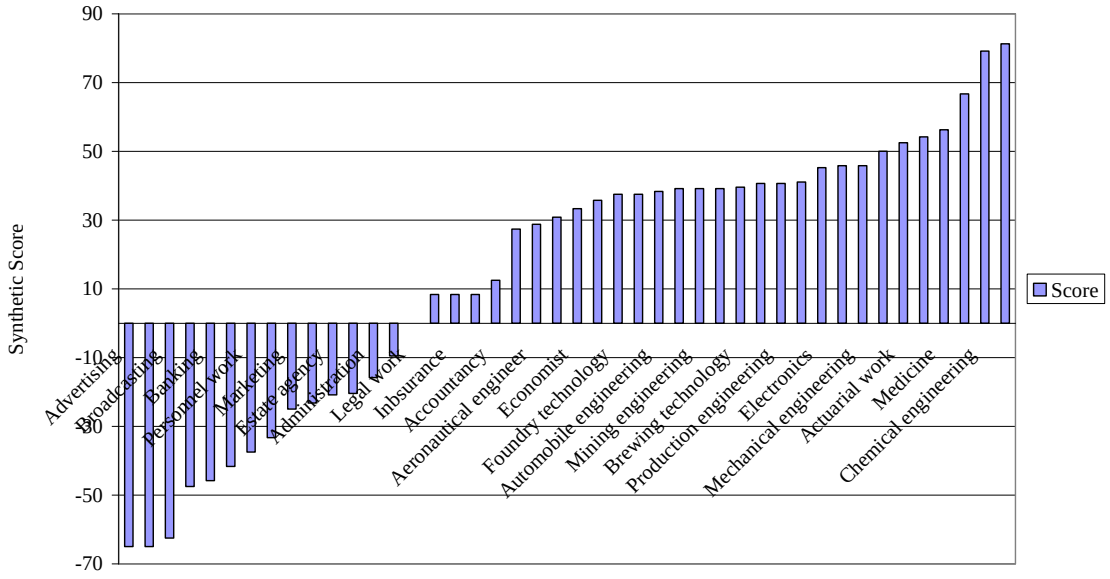
FIGURE 4.1 Number of occupations which various degree subjects allowed access to in 1973, organised by extent of access



Source: CRAC, *Careers Beyond a Degree* (1973), 51-75. A = Degree in this subject specifically required for occupation; B = Subject is well accepted for entry to occupation; C = Subject accepted for entry to occupation; Adv = Degree in this subject allows entry to occupation below graduate level, but above school-leavers; No adv = Degree in this subject allows entry to occupation, at same level as school-leavers; Closed = Degree in this subject does not allow entry to occupation at any level.

At the same time, Figure 4.2 confirms that some occupations have narrower entry requirements than others with, for example, chemical engineering being hard to practice without a relevant degree. Advertising, however, was open in principle to graduates of any discipline including chemical engineering graduates.

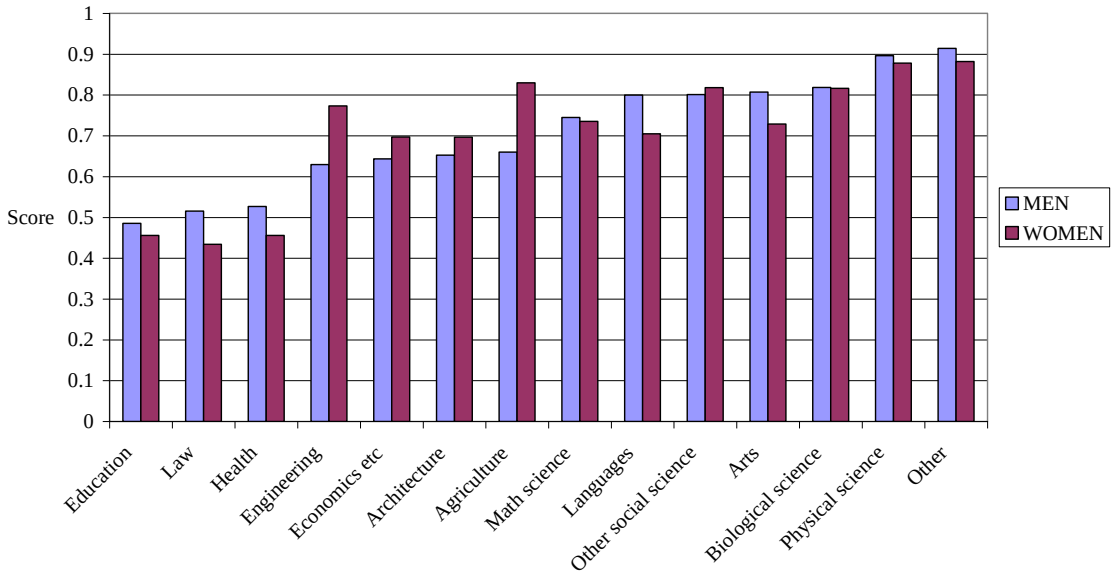
FIGURE 4.2 Extent to which selected occupations were exclusive or not in accepting to a variety of degree subjects



Source: CRAC, *Careers Beyond a Degree* (1973), 51-75. Synthetic Scores created by allocating points to openness to degrees as represented by numbers of degrees falling under categories A, B, C, Adv etc above thus: 50 points divided by number of degrees in A category; 50 points divided by number of degrees in B category; 25 points divided by number of degrees in C category; -50 points if historians (representing largely non-vocational degree), accepted above school-leavers; -25 points if historians (representing largely non-vocational degree), accepted at same level as school-leavers.

Figure 4.3 provides a measure of the probability that graduates from 1980 remained in an occupation closely related to their degrees six years later. We may observe that graduates in education, law, health, engineering and economic-related disciplines were relatively likely to pursue a career related to their studies, whilst graduates in the humanities or physics were likely to work in other areas.

FIGURE 4.3 Probability that a graduating student in 1980 takes employment in an occupation unrelated to subject



Source: Dolton et al, *Early Careers of 1980 Graduates* (1990), 26. A score of 0 meaning that all graduates from a certain subject take work in a related occupation, whilst a score of 1 means that all work in unrelated fields.

These results are surely what one would expect to find in any developed economy: demanding maths-based disciplines offering wider options than those for humanities students; technical occupations having more demanding entry hurdles than those where an accretion of prior knowledge is less relevant; those studying for qualifications closely related to a profession being more likely to use them thereafter. But even beyond this rather general level, there are other reasons to consider the British graduate labour market as normal.

Britain has followed the international trend of an increasing proportion of vocational degrees as the HE system has expanded.[563] For example, the percentage of full-time British students studying applied sciences rose steadily from 10.6% in 1938-9

[563] e.g. in Oxford: Tom Snow in Weston, *From Appointments to Careers* (1994), 163.

to just over 20% in 1966-7.[564] This led, inter alia, to the stock of engineers expanding by 51% between 1959 and 1968 when the whole workforce grew just over 4%.[565]

Within many British companies the idea of generalism (i.e. of recruiting regardless of degree subject) was rejected or circumscribed. An example is the career of Bernard Taylor who ultimately became the head of Glaxo. Having studied Zoology in the 1950s, he was turned down for a job due to his degree subject and, instead, began his career in Australia from where he progressed through the hierarchy.[566] In the electronics company STC, in the 1960s, British managers resisted pressure from their ITT bosses to develop more 'graduate-type' generalists, fearing they might become 'self-opinionated, impulsive' wheeler-dealers.[567] Even in apparent bastions of generalism such as Unilever, the possibility to switch specialisms during training was reduced during the 1960s.[568] In Ford, the option of choosing a speciality only post-training was removed.[569] Choice of degree has also been used as an indicator of an inclination towards some kinds of work and this was considered by Associated British Ports who concentrated on vocational degrees mostly in the hope to finding candidates interested in transport activities.[570] American employers have assumed the same.[571]

At the level of senior managers, at least in manufacturing, the claim that engineers and others with relevant qualifications were absent from the boardroom is questionable. A review of surveys from the 1950s onwards suggests that engineers have, in fact, been the largest single group of manufacturing executives, and that graduates with relevant

[564] James, 'The German Experience' (1990), 115.
[565] Greenaway & Williams, *Change in Graduate Employment* (1973), 128-9.
[566] Richard Stokes (Interview).
[567] IARC, 'Assessing Management Potential' (1971), 19-22.
[568] DOG 1959, 22; Unilever 1 ('UCMDS Fundamental Review' 1994), 12.
[569] GET 1979/80 388.
[570] OUCS/3 (British Ports), letter from ASC to MJD 25/01/1991.
[571] Gordon & Howell, *Higher Education for Business* (1959), 89.

qualifications had a higher relative probability of reaching such positions.[572] This was also true in the early 1980s when debates about industrial failure were most active.[573]

The case can even be made that what characterises the British case most is not primarily recruitment generalism but an educational over-specialisation that makes labour-market vocationalism unworkable. The introduction of the GCE A-levels from the 1950s narrowed subjects studied at an earlier age than in the USA, France, Germany or Japan.[574] Thereafter, according to a high profile report on 'the employment of highly specialised graduates' in the late 1960s, British higher education produced 85% specialised degrees and just 15% generalist ones, compared with a labour market need for only 30% specialists – something that was noted by industrialists.[575] Since British graduates were anyway younger than graduates elsewhere, even "relevant" graduates would need training, and the difference from other graduates was less pronounced.

[572] Barry et al, *Engineers in Top Management* (1997), 22-28.
[573] ISC1/19/3/173 (1982), 20; ISC1/19/3/175 (1983), 42.
[574] Bradshaw, 'Classifications and Models' (1992), 105; RIS/1: 'Why Engineering?' (1977), 4.
[575] DES, *The Employment of Highly Specialised Graduates* (1968), 11; FBI/200/F/3/T1/192 (1947-1953), Meeting Minutes 16/12/1948.

4.2 Foreign Non-vocationalism

One recent study of recruitment concluded that 'In all the countries studied [including the USA, France, Germany & UK] the education and training of the bureaucratic and business elite until recently had little relevance to their future business career'.[576] The truth of this can be tested in the preferences of organizations, in the careers of graduates, and in the structures of education systems.

It has been claimed by one (British) commentator that in Germany there was a 'direct relationship between vocational education and studies and the job done' and that this is of 'utmost significance'.[577] The idea, however, that German managers with *Techniker* qualifications are specialists has been categorised as an Anglo-American misunderstanding by German academics.[578] The idea that German companies have been resolutely vocational in their choice of graduates for eventual promotion to the executive ranks is belied by the evidence – there have been fashions in graduate background for that status, with not only engineers and economists, but also philosophers and lawyers representing significant proportions, reflecting the significant proportion of non-vocational students within the HE system.[579] It is only recently that business administration (*Betriebswirtschaft*) has escaped its status as the poor relation to public economics (*Volkswirtschaft*), mostly because the latter attracted more able students.[580]

[576] Brezis & Crouzet, 'Recruitment and Education of Upper Elites' (2002), 18.
[577] Randlesome, 'West Germany' (1987), 139.
[578] Eberwein & Tholen, *Euro-Manager or Splendid Isolation?* (1993), 57.
[579] Lee & Smith, *Engineers and Management* (1992), ch.5; Hartmann, *Authority and Organization in German Management* (1959), 162-3, 171; Brezis & Crouzet, 'Recruitment and Education of Upper Elites' (2002), 14.
[580] Lawrence & Edwards, *Management in Western Europe* (2000), 106.

As for humanities students, a 1970 study found that whilst many political science graduates did find work in the public sector, a quarter were employed within business without obvious distinction in level and rewards than their more vocational counterparts.[581]

In Japan, with its successful manufacturing sector, the proportion of graduate entrants to industry deriving from law, politics and commerce degree backgrounds fell between the late 1950s to the mid-1980s from about 50% to 35%.[582] However, all these graduates were sought with 'general, well-rounded, rather than specialised education' and for their 'trainability and adaptability to company needs'.[583] Job specification was loose with, for example, non-technical graduates expected to learn accountancy despite no knowledge of the topic at all.[584]

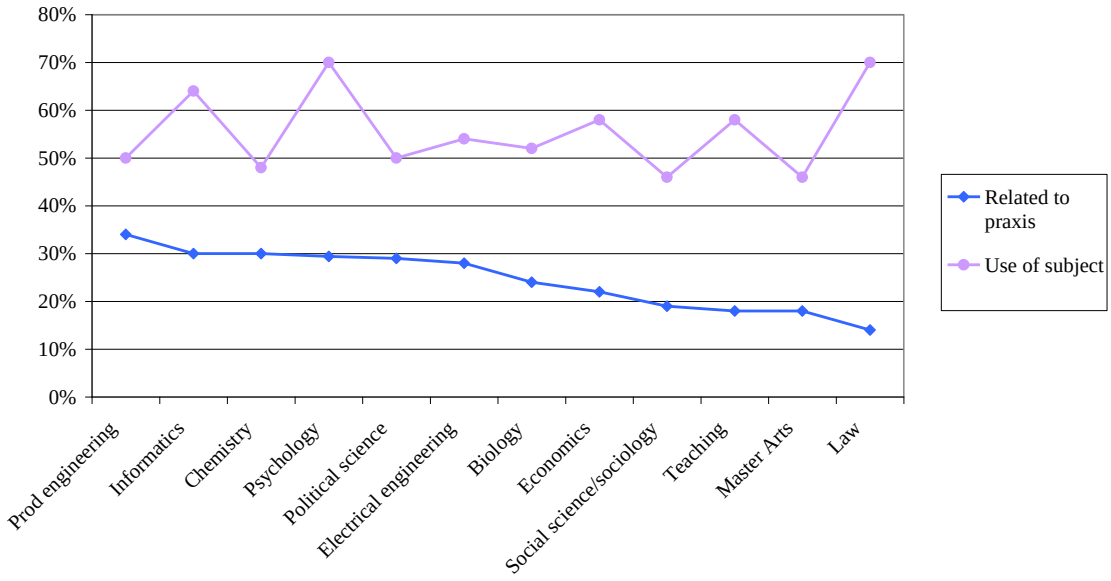
In the USA and France, there were similar signs that jobs and degree qualifications might be only loosely related. This was a feature of the early period of management research when Enoch Gowin, a pioneer in the research of executive selection and training in America, identified the 'relatively unspecialised' set of qualities sought in managers.[585] In the 1980s, 44% of those entering engineering occupations in the US were not engineering graduates.[586] Data from *L'Expansion*'s regular surveys of jobs show that even in jobs which appear to be highly technical, e.g. computer work, substantial proportions of *cadres* have no scientific or technical training. So 46% of

[581] Greenaway & Williams, *Change in Graduate Employment* (1973), 151.
[582] Mosk & Nakata, 'Education and Occupation in Postwar Japan' (1992), 61.
[583] Azumi, *Higher Education and Business Recruitment* (1969), 74.
[584] Ibid, 55.
[585] Gowin, *Selection and Training of the Business Executive* (1918), 47; Valleau, 'Management Succession and Preselection' (1967), 18.
[586] IMS, *Competition and Competence* (1984), 88.

graduate data processing professionals held degrees in liberal arts, politics, law etc.[587] The appointment of almost half of French CEOs in top 200 companies after service in the state sector suggests a belief in the transferability of general management skills, even if many of those appointed had originally studied engineering.[588] Bright young people know that they should take the theoretical Baccalaureat-C rather than the apparently more relevant versions for economics and business, even if they want a business career.[589]

Company preferences are paralleled by the expressed and demonstrated scepticism of many students about the links between their qualifications and careers. Figure 4.4 shows the views of Bremen graduates from 1992-4 about the relevance of their degrees.

FIGURE 4.4 Percentage of graduates completing studies in Bremen University (Germany) between 1992-4 stating that their degree studies were related to praxis or that degree knowledge was useful during subsequent employment



Source: EMPAS, *Die Bremener Absolventenstudie* (2001), 48. Postal Survey during 2001, 1038 replies (55% response), with at least 70 replies from each faculty listed.

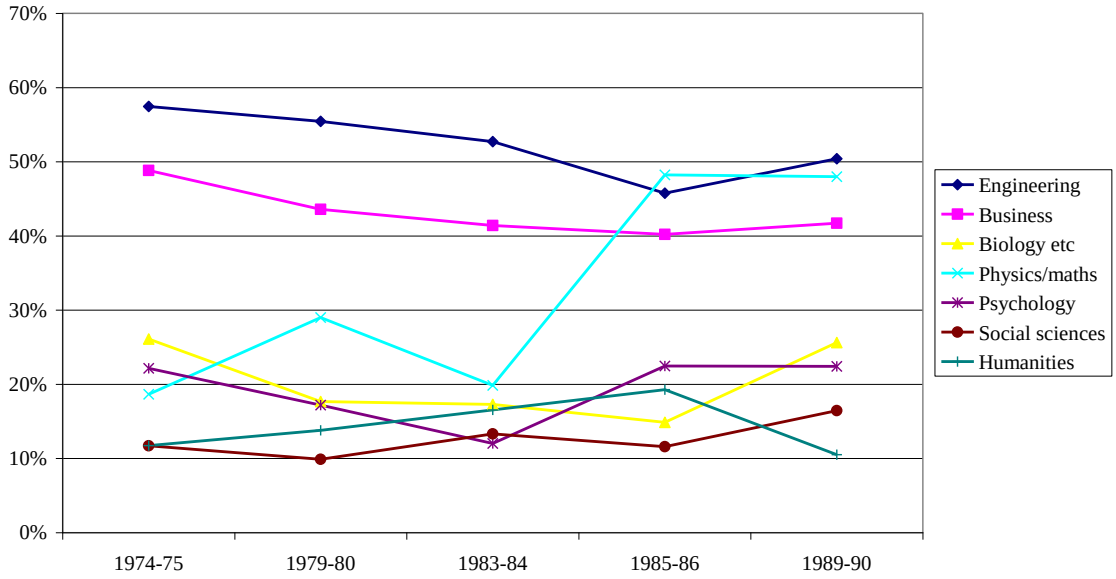
[587] Boltanski, *Cadres in French Society* (1987), 193.
[588] Bauer & Bertin-Mourot, *'Les 200' en France et en Allemagne'* (1991), 40.
[589] Lawrence & Edwards, *Management in Western Europe* (2000), 34.

This suggests that studies in all subjects were rarely seen as relevant to praxis, and the proportion in Bremen who said they had used their degree knowledge at work hovered around 50% even for degrees in engineering and chemistry. We do not know their reasons for this belief, but perhaps it was similar to those of business studies students around 1980 who felt that whilst their studies had taught them accounting skills well, they had learned little about the realities of management.[590] Or, perhaps like graduate mechanical engineers in the 1970s, they found that vocational studies did not lead to relevant jobs.[591]

The limited degree to which graduates believe their studies relevant to business life is easily exemplified by other surveys in France, Italy, Japan and the USA.[592] Not surprisingly, therefore, large proportions of those with vocational courses have not worked in roles where they used their degree contents, and this has been true with variations (the USA showed the highest levels) from the 1930s until the 1990s.[593] Figure 4.5 shows recent data by faculty in the USA which, whilst showing that some degrees are more vocational than others, also suggests that a clear majority of graduates have not worked in relevant jobs. The dramatic move towards relevant occupations for physics graduates in the mid-1980s is curious but unique.

[590] Locke, *Management and Higher Education* (1989), 241.
[591] Sanyal, *Higher Education and Employment* (1987), 165.
[592] Locke, *Management and Higher Education* (1989), 246; Azumi, *Higher Education and Business Recruitment* (1969), 55-6; Greenaway & Williams, *Change in Graduate Employment* (1973), 143.
[593] Mitchell, *Selection and Career Development of Graduates* (1991), annex; Mosk & Nakata, 'Education and Occupation in Postwar Japan' (1992), 64; Gordon & Howell, *Higher Education for Business* (1959), 88; Court & Connor, *The US Labour Market for New Graduates* (1991), 64; Wolfle, *The Uses of Talent* (1971), 132.

FIGURE 4.5 Percentage of American Bachelor degree graduates, by subject, reporting in follow-up surveys that they were employed full-time in a field related to their degree one year after graduation.



Source: NCES, *Recent College Graduates* (1993), table 387. Based on national sample surveys carried out periodically by the US Department of Education's National Centre for Education Statistics. Exact time-lapse after graduation varies slightly by survey.

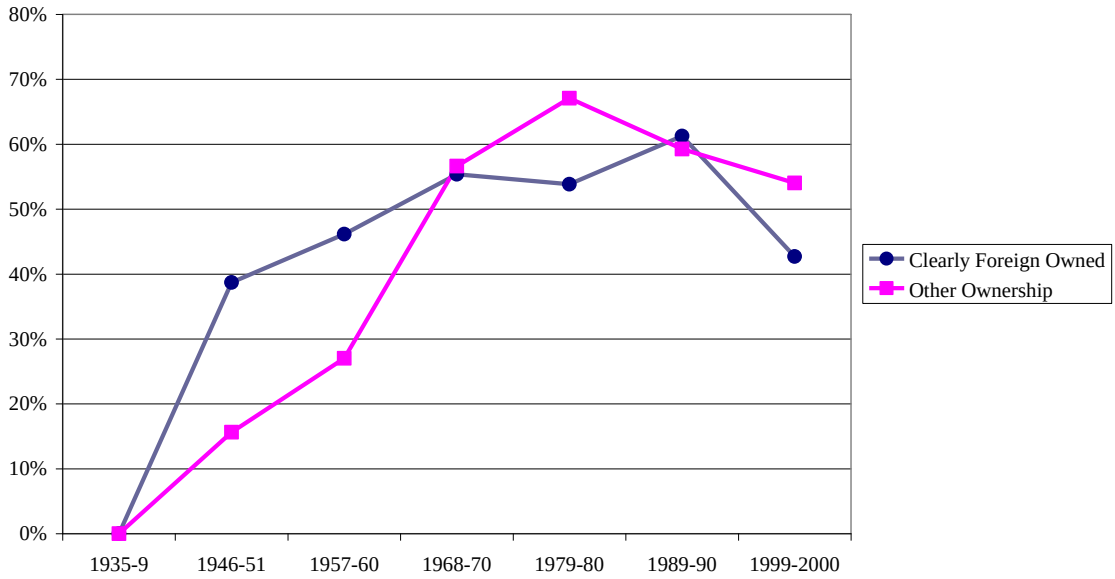
Part of the reason for this result is that all education systems need to strike a balance between general and specialised topics within a curriculum. In comparison with the traditionally specialised nature of British secondary education, pre-university studies elsewhere have retained more subjects to a later age. Likewise, and in contradistinction to the UK, the other countries have typically included more general study in their degree courses. This can take the form of diverse studies for the first two years of study as in America, where engineering degrees traditionally also included a large segment of humanities work.[594] Japan has followed the American model and, indeed, 'specialisation is avoided at all educational levels'.[595] In France, the *diplome d'ingenieur* involves an

[594] Tanner, *University Placement Work in America* (1950), 1; FBI/200/F/4/65/1 (1949), 20.
[595] IMS, *Competition and Competence* (1984), 4, 47.

initial two years, mostly of maths, and the overall aim is to produce generalists with *polyvalence*, something regarded as valuable for subsequent promotion.[596] The result is more 'engineering appreciation' than a deep technical knowledge.[597]

In one study across twelve countries, the British inclination towards humanities and pure science was confirmed, and recruiters were seen as giving limited attention to degree subject (closely followed by the French). However, British students were average in seeing a link between their studies and work (with France and Japan notably low), and above average in feeling that their studies had helped create competencies for their work life.[598]

FIGURE 4.6 Percentage of database companies, by nationality of ownership, indicating intention to hire arts or 'any discipline' graduates



Source: Database companies classified clinically by information provided in data sources at sample dates, Dunning, *American Investment in British Manufacturing* (1998), as well as author's knowledge.

[596] Waller, 'Engineers as Managers' (1998), section2:21-2.
[597] Lawrence & Edwards, *Management in Western Europe* (2000), 36.
[598] Brennan et al, *The Employment of UK Graduates* (2001).

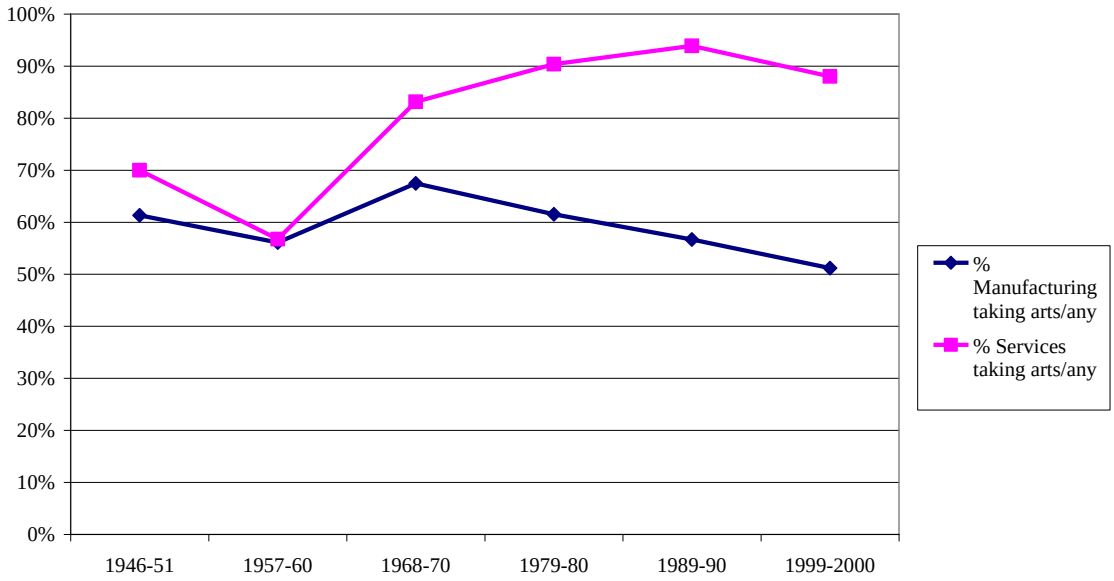
Although recruitment practice in Britain may have been less vocational than abroad, this may not have been a result of anti-vocational snobbery by British firms, as a comparison of arts graduate hiring patterns by ownership in Figure 4.6 suggests. Foreign-owned companies recruiting in Britain were, if anything, quicker to tap arts graduates than the more British group of firms.

4.3 Locating the Difference

One possibility for explaining the perceived greater non-vocationalism in the UK might be a compositional effect, insofar as recruitment might have been concentrated in the service sector rather than in manufacturing. Certainly Britain has had special strengths in financial, commercial and other market services.[599] Furthermore, it has been argued that British manufacturing under-performed post-war compared with its competitors and shrank more abruptly after 1970.[600] This would be relevant because, as Figure 4.7 shows, the propensity of manufacturing to recruits arts or any discipline students was significantly lower in almost all time periods. The inverse was the case with more vocational subjects.[601] A study of graduates, in 1982, found that manufacturing companies were much more likely to employ graduates in technical (72%) and specialist (15%) roles than service companies where 65% of entrants were considered as generalists.[602]

[599] Rubinstein, *Capitalism, Culture and Decline* (1993), 25ff.
[600] Ackroyd, *The Organization of Business* (2002), 40; OECD, *Industrial Policy in OECD Countries* (1993).
[601] E.g. CSU, *Statistics Quarterly*, No.58 4.
[602] Kelly & Dorsman, *Class of '82* (1984), 50.

FIGURE 4.7 Percentage of database companies, by sector, indicating intention to hire British graduates of arts or 'any discipline' in various sample periods



Source: Extract from database. Until about 1970 companies prepared to take non-technical graduates would declare vacancies open to arts graduates. Thereafter, in what was mostly a linguistic change, vacancies were declared open to graduates of any discipline. Database companies classified using SIC codes to three digits using descriptions of activity in each sample period from data sources. Where a company was involved in more than one sector, the apparently larger one was used.

Given this pattern, it is not surprising that whilst 60% of graduate employers overall in 1992 claimed to have a preference for degree subjects studied, fewer than 20% of services companies did. When pressed, 20% of all employers expressing preferences admitted that personal qualities were more important to them.[603] When asked about their needs, graduate employers agreed on the need for good degree results, but thereafter manufacturing firms typically emphasised degree knowledge whereas services firms focused more on personal skills.[604]

The problem with this argument, though, is that measures of GDP and employment composition show that the USA, rather than the UK, has been the fastest to grow its

[603] Boys, 'Employment, Skills and Career Orientation' (1992), 120.
[604] Roberts, *What Employers Look for in Their Graduate Recruits* (1985), 1; AGR, *Personal Transferable Skills* (1992), 9.

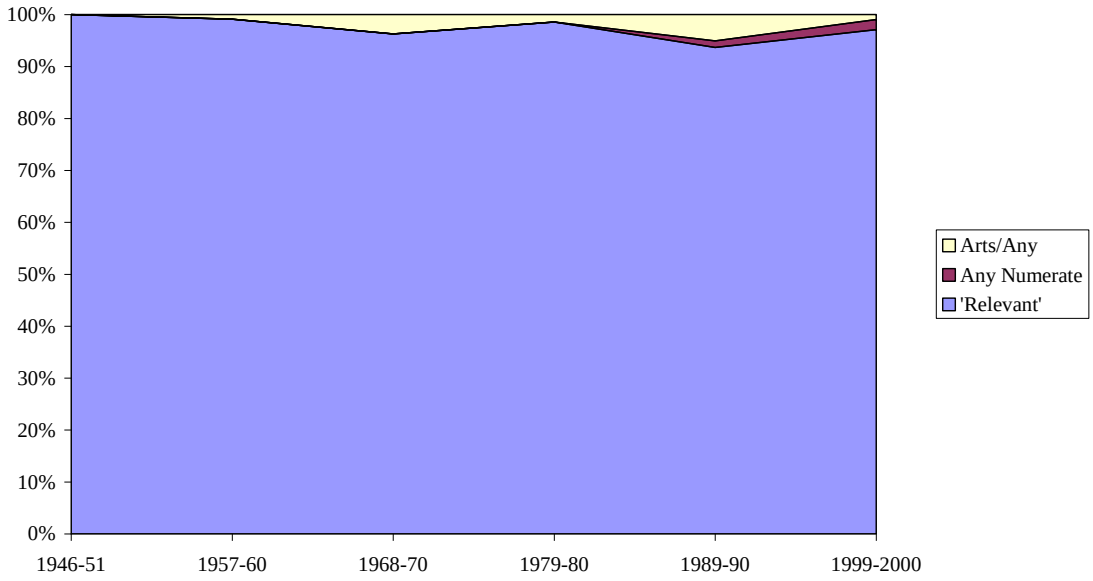
services sector and diminish the relative size of manufacturing and, on some measures, France has also had a larger market services sector.[605] In addition, the de-industrialisation trajectories for the five countries considered here are similar, despite the apparent differences regarding vocationalism. Neither does the size distribution of firms within the economy appear to provide much explanatory power.[606]

One distinguishing feature between more and less vocational recruitment may be the age of the recruits rather than anything more sophisticated. British and Japanese students have typically graduated in their early 20s and gone into largely unspecialised work roles at relatively low salaries. German graduates are amongst the oldest in the world and have tended to enter more specialised roles with significant wage premia. France lies in an intermediate position on both counts. So in the early 1990s, fresh graduates at the accountants Coopers & Lybrand in the UK were paid about £14,000 whereas their counterparts in France, who had already finished extensive training at university, were paid about £24,000.[607] Likewise those finishing American graduate schools are better trained and paid than British first degree graduates. The differentiating factor is who provides (and pays for) the more detailed training involved: the student/HE system or firms. The results, ultimately, for firms and young people are not dissimilar.

A more revealing approach is to consider the relationships between work roles and degree preference specificity. As Figure 4.8 shows, companies, from whichever industry, seeking graduates for technical roles show little inclination to accept anyone except entrants with relevant qualifications.

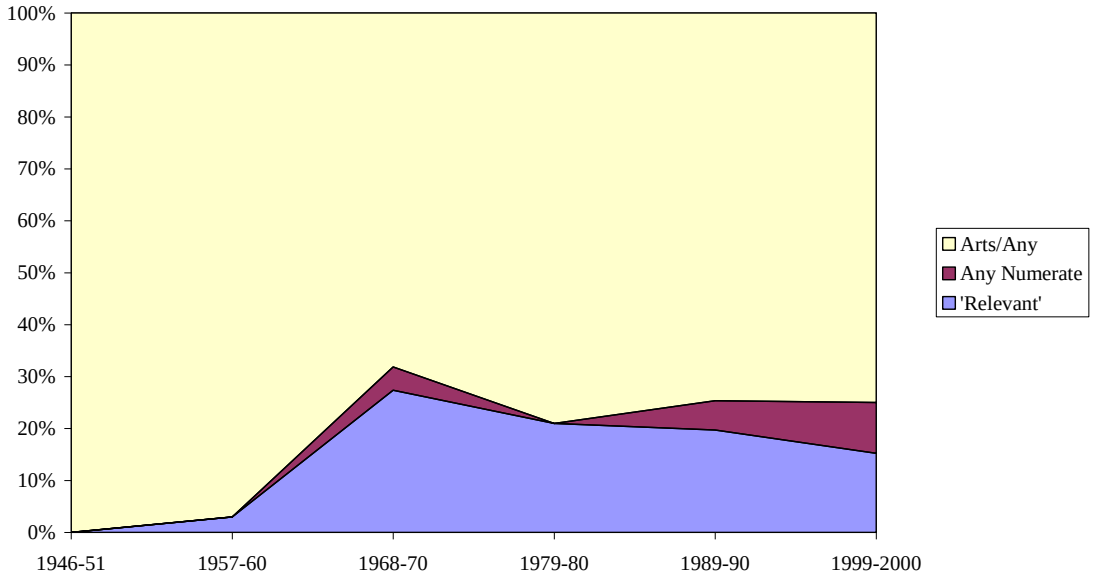
[605] Blades, 'Goods and Services in OECD Economies' (1987); OECD, *Industrial Policy in OECD Countries* (1993).
[606] Brown, *Graduates and the Small Firm* (1978), 35.
[607] AGCAS, *Visit to European Employers* (1993).

FIGURE 4.8 Percentage of Database companies requiring relevant degrees from those applying for technical roles



Source: Extract from database. Roles classified based on declarations in data sources and other context: see Figure A.5 (Type of work classifications) in Appendix 1. Role classification excludes intermediate roles such as IT, legal etc.

FIGURE 4.9 Percentage of database companies requiring relevant degrees from those applying for non-technical roles



Source: Extract from database. Roles classified as Figure 4.8.

By contrast, a clear majority of those seeking graduate staff for non-technical positions of all types have been prepared to accept arts graduates to fill them. Around 1970, perhaps a quarter did request more relevant qualifications, but this proportion has declined, only partly compensated for by an increasing request for graduates in numerate disciplines.

In the chemical industry, whilst 63.4% of 172 firms in the late 1980s felt that the specific subject studied was important for scientific posts, this shrank to 16% for non-technical posts.[608] Consequently, whilst the chemical industry is highly technical, chemical firms were the largest single business employers of Oxford arts graduates in 1949, followed by the oil, textiles and food industries.[609]

This identifies the real area of difference between practice in the UK and abroad: a variety of non-technical roles were considered open to graduates of any discipline in Britain whereas abroad vocational qualifications were demanded. In 1950s America, whilst the insurance, retailing, real estate and utilities industries were largely relaxed regarding degree subjects, both the transport and advertising industries had strong subject preferences in seeking graduates, with banking in an intermediate position.[610] In Britain at that time, all were supporters of arts recruitment. Accounting is another area of contrast – a 1950s US survey of 1,400 executives found that they insisted on the necessity of entrants to this function (and to engineering) having the relevant technical knowledge.[611] Likewise, in France in 1991, Price Waterhouse BEFEC reckoned it would take, say, a graduate of engineering seven years to match the skills of students who had

[608] Preece, 'Graduate Recruitment in the Chemical Industry' (1990), 105, 133.
[609] FBI/200/F/3/T1/247 (1947-53), Meeting Minutes 31/03/1950.
[610] Gordon & Howell, *Higher Education for Business* (1959), 91.
[611] Ibid, 85.

studied accountancy at university.[612] By contrast, their British colleagues of 1970 expressed clear preference for graduates who had *not* studied accounting, since accounting students 'tend to be narrow, blinkered and uninteresting'.[613] Instead, British accounting firms have pursued a diverse sourcing strategy for their people with virtually every faculty represented to some degree, even if numerate disciplines ultimately dominate.[614] The relative success of industries like advertising and accounting in Britain, despite the attachment to any discipline recruiting, raises the question of how pernicious the phenomenon really is.

[612] AGCAS, *Visit to European Employers* (1991).
[613] APTB 10/25 August 1970.
[614] Barry et al, *Engineers in Top Management* (1997), 79-80.

4.4 The Rise of Generalism

Not only has arts or 'any discipline' recruitment been significant in Britain – it appears to have grown as a proportion of business vacancies over time. Measuring this trend is problematic, partly for the usual reasons of patchy data, but mostly because the categories involved have shifted over time. Until around 1950, arts degrees referred to almost everything that was not scientific or technical in nature, so it was natural for British observers in the USA to consider business studies students there under the wide umbrella of 'arts'.[615] A similar definition remained valid until at least the 1960s, but careers services used a more complex formula for preparing first destinations figures which excluded theology, fine arts, education, and most social sciences.[616] Geography has slowly migrated from being an art towards a science.[617] This means that within companies such as Ford, the identification of the degree sources seen as appropriate for commercial positions has evolved over 45 years from 'arts and pure sciences', to then specifying social sciences separately, to finally to accepting any disciplines.[618]

Despite the advertisement of many positions as open to 'any discipline', in practice this has often hidden more specific preferences. In the late 1960s, there were grumbles that requests for arts degrees meant, very often, just economics or statistics.[619] In the mid-1990s, WH Smiths would take students of any discipline for their management training scheme, but preferred graduates with retail management or

[615] AACP, *Education for Management* (1951), 20.
[616] Collins et al, *The Arts Graduate in Industry* (1962), 2; FBI/200/F/3/T1/247 (1947-53), Meeting Minutes 31/03/1950.
[617] Brian Hyde (Interview).
[618] DOG 1957 76; DOG 1970 198; GET 2000 478.
[619] Ward, 'Student Attitudes to Employer Interviews' (1966); AGCAS/18 ('Student Attitudes to First Interviews' 1968), 2.

business studies.[620] Likewise, whilst the accountancy firms have traditionally taken graduates from diverse backgrounds, numerate disciplines dominated the actual intakes of KPMG and Deloitte & Touche in the late 1990s, with humanities and language graduates constituting less than a fifth.[621] Management consultants may have displayed a bias towards IT and technical degrees.[622] Even where firms do have a preference for vocational qualifications they may state a willingness to consider graduates from all disciplines as a means to benchmark the quality of their entry by interviewing a wider range of candidates than they expect, ultimately, to hire.

A separate issue is that after securing a relatively small number of top level specialists, firms may regard all subsequent entrants, whatever their background, as generalists. For example, a manager from Metropolitan-Vickers in 1948 reckoned that all secondary school recruits were automatically a kind of 'arts product' because they were not ready to handle a technical job quickly.[623] The subsequent expansion of higher education may mean that an increasing proportion of graduates were taken as generalists since there were not genuine specialist roles for them.

Despite these definitional issues, the trend of most data series suggests a steady expansion in opportunities open to those with non-technical degrees from 1920 onwards. Recessions may have worked against generalists: Ford dropped the number of 'any discipline' job from 95 (out of 127 total in 1980) to just 5 (from 77) in 1981.[624] Periods of growth may have helped them: IBM reported taking graduates 'from a broader

[620] OUCS/3 (WH Smith), letter from KP 10/10/1995.
[621] ISC1/19/3/188 (1987), 12; OUCS/3 (KPMG); GO80 856.
[622] OUCS second interview file, 1997 entry.
[623] FBI/200/F/3/T1/197 (1948), letter KRE to Tennyson 25/03/1948.
[624] Ford 4 'Background to the 1981 Graduate Recruitment Programme'.

spectrum of degree backgrounds' when needs were large.[625] But, in the long term, the trend was up: the proportion of managers with non-technical qualifications surveyed in the 1950s grew from about 20% of those born before 1895 to over 30% amongst those born after WW1.[626] The 1930s saw a fashion for more relevant studies – a respondent to the Spens Committee survey in 1938 reckoned his City friends were favouring maths, science and languages in their recruitment to the exclusion of English, geography and classics, but was not convinced himself.[627] Marks & Spencer stated a preference for those with a modern education, i.e. economics and public administration rather than classics, maths or science.[628] This period also saw the renewed attempt to introduce of a Commerce degree which, however, largely failed.[629] Escritt thought the effort was 'natural, understandable, ill-informed, and is now discredited'.[630]

After the war, arts graduates started to be considered more favourably (about 30% of the 1948/9 cohort from Oxford and Cambridge were placed into industry) but there were still forecasts of a surplus of perhaps 1,000 at the start of 1949, rising potentially to 5,000 by 1951.[631] The desperate shortage of scientific and technical graduates (BP reported 147 companies competing for just five Cambridge graduates in 1949) encouraged successful experiments in substituting arts graduates for their technical colleagues, including at BP.[632] Firms were persuaded by successful cases of arts

[625] Letter from Brian Hyde 18/01/2002.
[626] Acton Society Trust, *Management Succession* (1956), 17.
[627] APTB 14/13, piece 101 (RG Shaw & Co.).
[628] APTB 14/13, piece 74.
[629] Keeble, 'University Education and Business Management' (1984), Ch.5.
[630] Escritt, 'Educational and Industrial ladders' (1948), 85.
[631] FBI/200/F/3/T1/247, meeting 31/3/1950; FBI/200/F/3/T1/192 (1947-1953), Memo by BJA Bard 10/01/1949.
[632] FBI/200/F/4/65/1 (1949), 50, 53.

graduates from pre-1939 schemes, by American experience, or the pleas of educationalists, higher civil servants and some industrialists.[633]

The result was the opening of at least fifty new occupations to arts graduates after 1945 compared with the 1939 situation.[634] In the immediate post-war period at Oxford, 10-20% of non-technical vacancies notified came with requests for particular degrees (mostly economics) but this largely disappeared after 1955 until the late 1960s.[635] One 1950s governmental careers guide offered warnings to arts graduates that their degree was insufficient in itself to gain management positions and that further study would be needed. This language disappeared, however, by the 1958 edition which noted instead that up to 1,250 arts graduates were taken onto management training schemes annually.[636] It is true that intake was lower in specialised areas of engineering where technical graduates were needed even on the sales side.[637] But the trend was strong enough to make some promising scientific/technical candidates wonder whether their own prospects were being damaged.[638] Neither firms nor graduates seem to have had regrets: only four firms from forty who had hired arts graduates post-war had discontinued the practice a decade later, and whilst arts graduates typically started on lower salaries, by age thirty they had usually overtaken the remuneration of their scientific colleagues.[639] The same was true of top liberal arts graduates in the USA.[640]

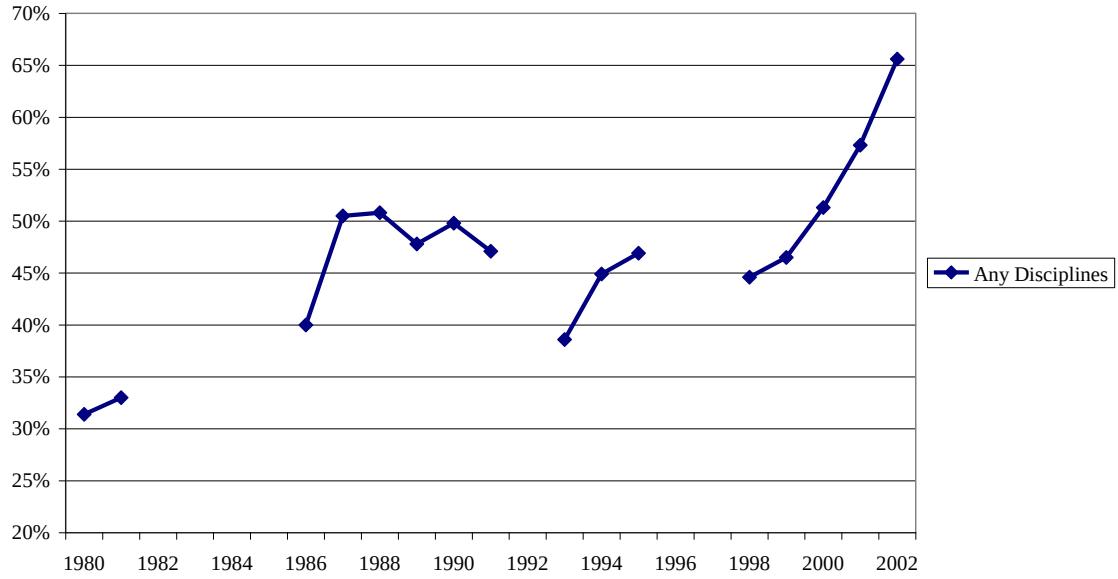
[633] Collins et al, *The Arts Graduate in Industry* (1962), 3-24.
[634] Weston, *From Appointments to Careers* (1994), 141.
[635] OUCS AR (1953-1965).
[636] Ministry of Labour & National Service, *Opportunities in the Professions and in Business Management* (1952), 7, (1956), 7, (1958), 6.
[637] FBI/200/F/3/T1/400, Draft Paper 'Arts Graduates in Industry' 1950.
[638] ULCAS AR (1955).
[639] PEP, *Graduates in Industry* (1957), 9; OUCS AR (1955).
[640] Whyte, *The Organization Man* (1956), 113.

The 1960s, though, saw another shift in opinion towards demand for 'relevance' by employers, this time differentiating between social scientists and humanities students.[641] The Fulton Committee on Civil Service recruitment reflected broader views in promoting 'preference for relevance'. The 1970 recession might have led to degree relevance being used as an easy way to handle increased application volumes. Instead, firms and careers services collaborated to remove further boundaries between types of work and degrees.[642]

The lines of Figure 4.6 might suggest that, after 1980, generalism was in slow decline. However, this represents the fact that many database companies were relatively larger and older companies which dropped generalist recruitment under the pressure of recession and new competition. Also the data is not weighted for numbers of graduates actually hired. Instead, Figure 4.10 provides an approximate view of national graduate recruitment for any disciplines since 1980. Even this may understate the trend, since some type of work data from first destinations tables in the late 1980s suggest that something like 57% of men and 77% of women graduates entered employment in areas different than their degree courses.[643]

[641] ULCAS AR (1962); ISC1/19/3/111 (1964), 16.
[642] UMCAS AR (1975).
[643] DES, *Review of Graduate Follow-Up Studies* (1987), 12.

FIGURE 4.10 Percentage of vacancies open to graduates of 'any discipline'



Source: CSU *Statistics Quarterly* on proportion of vacancies advertised through its bi-weekly national graduate vacancy publication (previously *Current Vacancies*, now *Prospects*). Some figures taken from secondary sources, e.g. Bradshaw, 'Classifications and Models' (1992), 41, AGCAS 14 (Anglo-German Conference 1981), 68; ISC1/19/3/186 (1986); Elias, *Moving On* (1999), 80; last 4 years from CSU website.

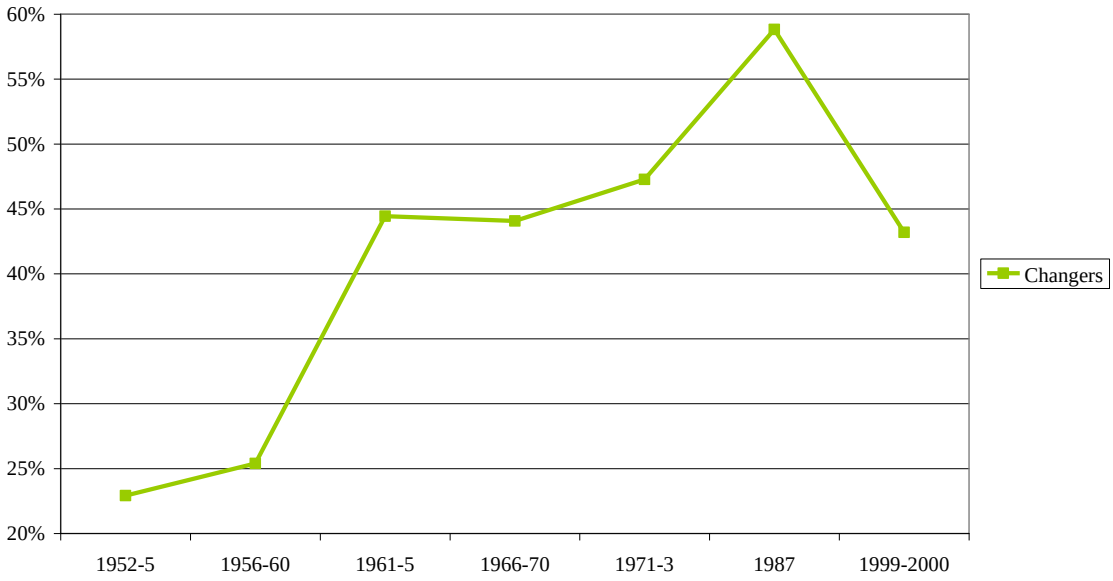
An alternative way of considering shifts towards generalism is to measure the proportions of graduates from degree subjects typically seen as vocational going into their expected lines of work. For example, 99% of the law graduates from the University of Hull went into the legal profession in 1974, but this had dropped to 75% by 1977 and was expected to fall to around half thereafter.[644] By the 1990s there were three times as many graduates eligible to proceed to professional legal training as likely jobs in the profession. Consequently, fewer than half did proceed further.[645]

The case of scientific and technical students following non-vocational paths is perhaps more significant. Until the 1960s, many recruiters held the view that technical

[644] AGCAS/10 (Conference Report 1977), 25.
[645] AGCAS, *Law Graduates in Careers Other than Law* (1999), 1.

graduates were employable only in relevant positions, including related areas such as technical sales. An exception was Unilever which accepted a significant and growing proportion of scientific graduates into commercial functions:

FIGURE 4.11 Percentage of technical graduate entrants to the Unilever Companies Management Development Scheme choosing to take jobs in non-technical areas



Source: Unilever 4 (List of UCMDS Entrants 1952-73); 1987, 1999- 2000 Unilever Graduate Recruitment annual reports.

The Mid-1960s saw large increases nationally in science graduates going to unrelated work, driven by opportunity rather than necessity.[646] The early 1970s recession saw up to 70% of the 1972 chemical engineering cohort leaving their 'vocation'.[647] It took some adjustment for employers generally to consider technical graduates for the same range of

[646] Department of Employment, *Employment Prospects for the Highly Qualified* (1974), 13; ULCAS AR (1964-5).
[647] AGCAS/6 (Conference Report 1971); BJH/13: 'Higher Education and Employment' (1973), 6.

positions as arts graduates.[648] By the time of the 1981 recession, about 60% of such graduates did not go into the relevant field of work.[649]

These trends were not restricted to the UK, although they may have come later abroad. This was partly driven by what the Japanese called the 'academic bias problem' whereby fewer secondary pupils wanted to pursue vocational education.[650] Within higher education, the trend has also been towards more general studies, including the liberal arts, in Japan, France and Germany.[651] This left governments with the problem faced in Britain after 1945 – how to persuade employers to take holders of non-relevant degrees.[652] By the 1980s in both the USA and Japan there was a significant proportion of technical graduates flowing into jobs in finance, real estate and other service roles, unheard of in, say, the 1960s.[653] Japanese banks sought such graduates not so much for the purposes of doing technical appraisal of projects as to recruit brighter students believed to derive from those faculties. These movements match the clear changes in managerial job specifications towards wider and more flexible conceptions across various countries.[654]

[648] UMCAS AR (1974), 3.
[649] Aldcroft, *Education, Training and Economic Performance* (1992), 92.
[650] Nishizawa, 'Education Change and In-Firm Training in Post-War Japan' (1997), 105.
[651] *Assessment in Education* 37, 41; Green & Sakamoto, *Skills in National Competition Strategies* (2000), 51.
[652] Mitchell, *Selection and Career Development of Graduates* (1991).
[653] Weatherall, 'Placement Culture of Japan' (1991); Dore, *Stock Market Capitalism: Welfare Capitalism* (2000), 124.
[654] Brewster et al, *European Human Resource Management* (2000), 188.

4.5 Explaining the Generalist Trend

The move away from the apparently self-evident assumptions lying behind employer and governmental pro-vocationalism can be explained partly due to the problems of acting upon vocationalist impulses, and partly due to unexpected advantages that non-vocationalism can offer.

Attempts to apply intuitions about qualifications into manpower policy have a wretched record in many countries: one detailed analysis had 'no doubt that nearly all the exercises were failures, both conceptually and by the practical test of whether in the event they were proved right'. This undermines the 'deeply comforting notion that the economy is just a sort of complicated machine...' which can easily be adjusted.[655] British experience has been especially tortured, with even the planning of medical doctors in the 1950s for the monopsonistic NHS proving too difficult.[656] Efforts to forecast much larger numbers, as in triennial surveys of scientific and technical manpower between 1956 and 1965, or the markets for civil engineers, town planners, chemists and lawyers during the 1970s, have demonstrated the relative impotence of planning.[657] Part of the 'blame' lies with students wanting to study non-vocational subjects: as higher education was expanded from the 1960s, unfilled places in technical faculties appeared, whilst humanities ones were oversubscribed.[658] Vocationalism could also have unfortunate

[655] Blaug, 'The Uses and Abuses of Manpower Planning' (1975); Greenaway & Williams, *Change in Graduate Employment* (1973), 150.
[656] Rudd, 'Swings and Roundabouts' (1980); Fry, *The Administrative 'Revolution' in Whitehall* (1981), 150.
[657] Rudd, 'Swings and Roundabouts' (1980); BJH/8: 'A View From the Interface' (1971), 8; BJH/18: 'Little Joy for Arts Graduates' (1977); Scott, 'Careers Advisory Provision in UK Higher Education' (1987), 14; Greenaway & Williams, *Change in Graduate Employment* (1973), 5-8.
[658] BJH/19: 'The Careers Service as a No-GO Area' (1981), 2; Blaug, *The Economics of Education* (1987), 50; BJH/17: 'Higher Education and the British Economy' (1976), 2.

effects on students, since the wrong vocational choice could be as bad for career satisfaction as doing a generalist degree.[659] The damage can be even worse where generalism is treated more suspiciously, as in Germany, leading to serious unemployment for graduates of all faculties.[660]

It was once said that 'the day of the all-round manager is disappearing', since even those performing commercial operations would require technical and professional training.[661] Yet the attempt to identify a science of administration, or to make management into a profession, has not unfolded as seemed inevitable to some observers in the 1930s. The service businesses which exhibited the greatest hostility to generalist graduates – hotel-keeping – found that it deterred the entry of talent.[662]

There can sometimes be a trade-off between specialisation and adaptability, with some apparently non-relevant abstract studies acting as an excellent hedge against obsolescence.[663] As a major study for the European Parliament put it: 'the time it takes for the content of education to become outmoded … can be positively correlated with its concreteness and negatively correlated with its level of abstractness'.[664]

An excessive focus on specific expertise can lead to the neglect of other general qualities and lead, as McClelland found in the American State Department, to counter-intuitive negative correlations with success on the job.[665] Research on MBA students, who typically score high on numerical ability, shows that many suffer from an intolerance of uncertainty and risk and a weakness in inter-personal skills and

[659] Purcell et al, *Working Out?* (1999), 19.
[660] Sanyal, *Higher Education and Employment* (1987), 128; Demeulemeester & Rochat, *European Policy Regarding Education and Training* (2001), 5.
[661] Arnold Rowntree in BACIE, *Education for Management* (1928), 5; DR Thomas, HR Walters at the Roundtable with FBI Education Committee, minutes 14/07/1947 2.
[662] ISC1/19/3 (1979), 10.
[663] Abramovitz, 'Catching Up' (1986), 388; Blaug, *The Economics of Education* (1987), 139.
[664] cited in Locke, *Management and Higher Education* (1989), 218.
[665] Goleman, *Working with Emotional Intelligence* (1998), 17.

attitudes.[666] Business schools have been recreating their entry criteria and curricula in response to employer concern.[667]

The more positive case in favour of non-specialists relies partly on the importance of transaction costs inside or outside the boundaries of the firm. They may have grown as a proportion of overall economic activity (in the USA) from about a quarter in 1870 to over a half in 1970.[668] As the division of labour deepens, the role of integrating the various contributions to an integrated production process becomes more crucial. The role of facilitating interaction between the various types of specialists which can be a speciality in itself, creating someone who can 'find reliable knowledge, can assess the expertise of others at its true worth, can spot the strong and weak points in any situation at short notice, and can advise how to handle a complex situation'.[669] It is in this context that, generalism was initially accepted by firms in the 1930s as an unavoidable evil to address the problems of finding middle-managers 'with sufficient adaptability and breadth of outlook' to integrate the various elements of businesses.[670] Such talent can be found in principle amongst people with any qualifications: accountants (and other non-technical managers) have proven to be saviours of some technically-oriented companies, as at Ferranti, GKN and Glaxo.[671]

But what can explain the strange cases where, as in the accountancy world in the 1980s graduates with non-relevant degrees, but after a conversion course, performed

[666] Barker & Mueller, 'CEO Characteristics and Firm R&D Spending' (2002), 787.
[667] O'Reilly, 'Reengineering the MBA' (1994), 36; Syrett & Lammiman, *Management Development* (1999), 79.
[668] North & Wallis, 'Measuring the Transaction Sector' (1986), 121.
[669] Chapman, *Leadership in the Civil Service* (1984), 189-190.
[670] Tennyson, *Stars and Markets* (1957), 186.
[671] Wilson, *Ferranti* (1988), 148; Owen, *From Empire to Europe* (1999), 422; Barry et al, *Engineers in Top Management* (1997), 46-52.

better in both stages of accountancy qualifications than accountancy graduates?[672] Or when in the legal profession one firm found, after some research of their employees' degree backgrounds, that 'in the long term non-lawyers are more successful than lawyers' in their career progression.[673]

The explanation, probably, is that degree subjects themselves can act as proxies for other attributes. Above all, firms have pursued general ability. Because of higher entry criteria, some non-technical courses have been seen as proxies for higher ability, as Modern Greats at Oxford represented for a Barclays manager in 1938.[674] For the same reason, Harrods explained their policy of taking applications from all arts faculties in the 1920s & 30s, and not just from economics or commerce graduates, since they primarily sought evidence of 'the most severe mental discipline' in degree courses, and to have done otherwise would have excluded too many good candidates.[675] Post-war, many firms expressed similar reasons for recruiting arts graduates, often despite general preferences in favour of more relevant degrees, and even expressed doubts about the 'channelled minds' of some engineering graduates.[676] Entry qualifications for some of the most vocational courses (e.g. civil engineering, mechanical engineering and business management) were often low compared to other faculties.[677]

The same pursuit of talent manifested itself differently abroad, however, since vocational traditions meant that talented young people were more likely to congregate in faculties seen as more relevant. European recruiters in one study were surprised at British recruitment of humanities graduates primarily because they were seen as lower

[672] ISC1/19/3/178 (1984), 14.
[673] Harvey et al, *Graduates Work* (1997), 58.
[674] APTB 14/13, piece 6.
[675] APTB 14/1, piece 7 (Harrods); APTB 14/13, piece 48.
[676] Collins et al, *The Arts Graduate in Industry* (1962), 3-24.
[677] Hollinghurst, 'Management Education Factors' (1997), 73.

ability on the Continent.[678] In Germany, higher salaries earned by graduates with more vocational qualifications were attributed in a German study to the ability screening effects of those faculties.[679] In 1960s America, recruiters focused on the business and engineering faculties mainly because they obtained a better average quality of candidates there.[680]

Recruiters have also sought breadth of ability from graduates of whichever faculty background. A Chairman of Shell felt that 'articulate scientists and numerate humanists are equally required'.[681] ICI sought technical graduates 'whose outlook on life is not bounded by the walls of a laboratory or the edges of a blueprint', and arts graduates 'who can appreciate the viewpoint of the scientist'.[682] The same notion is suggested by a US study of the reasons that executives failed in their jobs, with lack of breadth being the number one reason cited, along with an inability to evaluate situations and to cooperate.[683]

Amongst non-technical graduates, perhaps the best predictor for all-round ability has been mathematical aptitude. At national level, maths scores in both the USA and UK are the best predictor of wage premia for those with post-secondary education, and such premia have increased over time.[684] Cargill in the UK found that the main reason for most graduates failing to perform was weakness in mental arithmetic: one ambitious graduate with a first class degree in English discovered she could not multiply.[685] A survey of graduates in employment in Sheffield denied that this was generalised, finding

[678] Mitchell, *Selection and Career Development of Graduates* (1991), 4.
[679] Witte & Kalleberg, 'Matching Training and Jobs' (1995), 312.
[680] Mandell, *The Selection Process* (1964), 146.
[681] AGCAS/5 (Conference Report 1969, David Barran).
[682] DOG 1958 191.
[683] Harrell, *Managers' Performance and Personality* (1961), 94.
[684] Murnane et al, *The Growing Importance of Cognitive Skills* (1995), 42; Wolf, *Does Education Matter?* (2002), 34-6; Green & McIntosh, *Underutilisation of Skills* (2002).
[685] Richard Stokes (Interview).

that there were 'few problems specifically related to numeracy or lack of it; [arts graduates] can cope in their jobs once they have overcome their rustiness'.[686] Nonetheless, from about 1980 onwards both employers and careers services began to test and coach candidates on this dimension.[687] In this way the rise of ability testing – much of it numerical in nature – may have assisted any discipline recruiting since it was easy to identify those arts graduates with this skill.

Degrees may also act as proxies for certain personal qualities. A British Coal recruiter felt that historians displayed certain specific 'habits of mind' for example.[688] Scores on self- and externally controlled tests also suggest that, say, engineers and historians display differing thinking and personal styles that may be salient for managerial recruitment.[689] In particular, studies in both the 1960s and 1990s distinguish between 'convergent' and 'divergent' modes of thinking and found that humanities graduates displayed more divergence than their more convergent colleagues, even if both groups showed equivalent IQ scores.[690] This is most relevant when one of the studies revealed that samples of middle managers found many more convergers than was the case amongst top managers.[691] To the extent that personality testing and assessment centres, discussed in Chapter 7 have spread, such subject proxies can be eliminated in favour of individual assessment.

A last reason why employers may have become more accepting of generalism is that experimental departures from vocational traditions often proved surprisingly

[686] SCOEG News April 1985 6-7.
[687] Brian Putt (Interview); CUCS AR (1980).
[688] Bradshaw, 'Classifications and Models' (1992), 48.
[689] Boys, 'Employment, Skills and Career Orientation' (1992), 118-9; Purcell & Pitcher, *Great Expectations* (1996), 15.
[690] Barry et al, *Engineers in Top Management* (1997), 68-70.
[691] Ibid, 76.

successful. A shortage of technically-qualified people during and immediately after the war revealed that arts graduates could be brought to decent levels of productivity quickly.[692] Dr Duncan Davies of ICI reckoned he could teach bright arts graduates chemistry in six months and, indeed, some were employed in support roles in the Polymer and Petrochemical Laboratories after basic scientific training.[693] One major text on production management felt that 'knowledge of engineering or technology of any sort is not a necessary requirement for a production/operations manager' and British Sugar, Ford and Tube Investments were amongst companies accepting arts graduates into such roles.[694] An inspector for the Society of British Aircraft Constructors during the war was surprised to find 'vast numbers of arts graduates who were lurking in odd corners doing technical jobs without knowing quite how they had got there'.[695] He estimated about 500 in the locations he visited. One 1960s study found a majority (46/57) of companies believing that arts graduates were capable of handling jobs previously done by men with technical backgrounds, and 35 actually had courses to this end.[696] Such substitution has also taken place in the USA, and perhaps elsewhere.[697]

From the 1960s onwards, growth in IT activities, unsupported by an academic infrastructure, led to conversion training by firms, including IBM and Ford.[698] Marconi found that those with top degree results, especially in mathematics, classics and music, were able to compress a three-year computer science course into three months, but that

[692] Collins et al, *The Arts Graduate in Industry* (1962), 50.
[693] BJH/6: 'Does Education Create Unemployment?' (1972); AGCAS/4 (Conference September Report 1967), address by Dr DS Davies.
[694] Lockyer et al, *Production and Operations Management* (1988), 8; OUCS/3 (British Sugar), letter HCM to Escritt 15/12/1954; CSU/2: 'Clearing House List' 1968 No.1; APTB 10/28.
[695] Transcript of Conference, FBI/200/F/3/T1/197 (1948), 22.
[696] Collins et al, *The Arts Graduate in Industry* (1962), 39-40.
[697] Whyte, *The Organization Man* (1956), 115.
[698] Preece, 'Graduate Recruitment in the Chemical Industry' (1990), 65, 103; Brian Hyde; David Warrell.

their integration was frustrated by hostility from those with vocational qualifications.[699] In the 1980s, shortages of engineers led to academic and employer conversion courses, including by the BBC and Army.[700] What these examples confirm is that output can often be achieved using different combinations of human resources without excessive cost.[701] For example, both scientific and engineering graduates can handle research and development depending whether a relative lack of engineers (as in the UK) or scientists (as in Japan) have been seen as the constraining factor.[702]

4.6 Conclusion

The links between efficient production and skills is complex and has changed over time. Whilst the analysis above does not offer a succinct conclusion either of what vocational mixture *should* have existed, or what *did* exist, this is an inevitable feature of current conceptual and informational gaps. However, the counter-factual imposition of a vocationalist system would be unlikely to improve relative economic performance, and business behaviour in this area must be understood in the context of the broader goals of recruitment.

[699] SCOEG News September 1985 5-6.
[700] ISC1/19/3/188 (1987), 18; Barry et al, *Engineers in Top Management* (1997), 106 & 116.
[701] Shackleton, *Training Too Much?* (1992), 8.
[702] Lee & Smith, *Engineers and Management* (1992), 63, 66.

Chapter 5: Personal Proxies – Good, Bad and Ugly

The search for proxies for personality and character brings us to complex and contentious territory. Complex because personal qualities are more numerous, multi-faceted, and difficult to measure than intelligence. Contentious because the proxies used have often had a slim evidential basis and can become indistinguishable from mere personal preference. This chapter considers various attempts to gain insight from proxies and tries to distinguish productive from unhelpful approaches.

An Oxford careers adviser in the 1930s, writing an employment recommendation for an ex-grammar school student, felt it helpful to mention that his qualities included 'Middling games, flute, blue eyes, socially a gentleman'.[703] The last phrase may betray a snobbish attitude but it is at least intelligible insofar as traditional views of character were partly based on hypotheses about the effects of culture and class membership on motivation and behaviour.[704] Those undergraduates whose personal cards were marked with the letters NTS (for 'not top shelf') were presumably at a disadvantage. Less obvious is how athletic involvement, eye colour, and musical ability were weighed by the employers receiving such a reference.

To consider the usefulness of various proxies we can distinguish between them roughly based on their relative plausibility (i.e. whether they offer *a priori* reasons to expect significant differences in predicted average future performance) and whether the criterion considered is achieved or ascribed. Admittedly, the criterion of plausibility is not satisfactory because, to use a 1950s example, plausible intuitions, i.e. that a person

[703] Escritt papers 1 'Informal discussion at OUCS 22/05/1970'.
[704] Dasgupta, 'Trust as a Commodity' (1988), 50-4.

doing ‘useful’ things like running a boys’ club are likely to make better managers than those going to the cinema or the dog track, may prove misguided in reality.[705] The table below provides a rough classification of the ones discussed below.

	ACHIEVED			**ASCRIBED**
PLAUSIBLE	National service			Class
	Gap year			Gender
	Work experience			
				Age
	Extra-curricular			Physique
	Politics		Religion	
			Sexual orientation	
NOT				Race
PLAUSIBLE				

For most young men, between 1945 and 1960, the armed forces provided a kind of certification function since conscripts were sorted into categories by leadership potential, officers and other ranks, based upon selection boards whose overall validity had been demonstrated during the war.[706] One survey found that 45 out of 57 firms said they preferred to take arts candidates who had done National Service, because it ‘added a certain spice or kick to the graduates’, and those selected as officers were attractive because the selection process ‘was looking for much the same qualities as them and that holding a commission was a valuable guide to potential managerial ability’.[707] Some companies such as ICI had a preference for officers; others like Hedley’s made it an

[705] Silberston, *Education and Training for Industrial Management* (1955), 5.
[706] Hicks, 'Psychological Testing' (1999).
[707] Collins et al, *The Arts Graduate in Industry* (1962), 31.

explicit condition.[708] The ending of National Service made some recruiters anxious that they had lost an important screening device, as well as meaning that entrants were two years younger and less mature. Companies were sufficiently nostalgic for this proxy that some young men thought it helpful for their CVs, even into the 1980s, to undergo officer selection without any intention of entering the Forces.[709]

Since evidence of maturing was still appreciated, taking a year between school and university became a partial substitute for National Service. Taking such a year seemed to have beneficial effects on academic work, drop out rates and self-confidence, for all except mathematicians and musicians.[710] A survey in 1986 found 32/37 companies in favour of gap years.[711]

Work experience was valued by employers both generally in educating young people about careers and the world of work, but also since it allowed firms and participants to inspect each other.[712] Already in 1926, Mather & Platt could state their preference for traineeship candidates to have previously spent time in their works.[713] In Oxford, vacation work became available around 1930 for technical graduates, from 1946 for arts graduates and, by 1951, up to 600 places were on offer to students. Post-war both private and then state schools arranged opportunities for their pupils.[714] By the 1980s work experience was often used as a criterion for pre-selection of graduates.

Extra-curricular activities have been seen by recruiters as a field in which to discern displays of transferable skills and this may explain an apparently exaggerated

[708] DOG 1958 15; ISC1/19/3/101 (1962).
[709] Roly Cockman (Interview).
[710] BJH/16: 'Vocational Counselling' (1975), 15; ISC1/19/7 (1974), 3.
[711] *Times* 28/08/1986 2.
[712] Scott, 'Careers Advisory Provision in UK Higher Education' (1987), 5; Barry et al, *Engineers in Top Management* (1997), 92; Warrell, *Employers and Graduate Recruitment* (1993), 25.
[713] *The Journal of Careers*, Vol. V, No.7 (March 1926), 11.
[714] ISC1/19/2 (1952); ISC1/19/3/179 (1984), 68.

importance given to the matter.[715] Preference for some sports players is more understandable when the team-based games bias is remembered. Particularly before 1945, sportsmen were believed to handle employees better and preferences were quite open.[716] Other motives might intervene, though: ICI were ashamed to admit that they sought graduate hockey players in 1937 after IG Farben thrashed them 7-0; in the 1950s, BP wanted rugby players for their team in Iran.[717] Non-sporting activities could also be seen as meritorious, especially if the graduate had held a leadership position of some type. Spedan Lewis, Head of the John Lewis Partnership, supposedly liked chess players, although his motivations were unclear to his colleagues.[718] Political activity was probably not a major criterion, except insofar as office was held, but involvement in certain extreme left organisations was not liked, and many firms subscribed to the services of the Economic League which identified undesirables between 1919 and its winding up in 1994.[719]

The factors above, relevant or not, were all largely under the control of the individuals concerned. By contrast, one dimension where there is little a priori reason to expect major differences in performance, but where aggregate data show that some kind of selection takes place is that of personal attractiveness and physique.[720] Research showed that even assessments of cleverness could be affected by seeing photographs.[721] The Colonial Office Appointments Handbook advised selectors to look for 'presence' in a man, keeping in mind 'the truism that weakness of various kinds may lurk in a flabby

[715] AGR, *Personal Transferable Skills* (1992), 1.
[716] Rostron, *Education for Higher Positions in Commerce* (1929), 21; ISC1/19/1/8 (1935).
[717] APTB 10/4 111 (ICI).
[718] David Duncan (Interview).
[719] Hughes, *Spies at Work* (1995).
[720] e.g. Hamermesh & Biddle, 'Beauty and the Labour Market' (1993).
[721] BPS OPS Newsletter No.2 (1976), 3.

lip or in averted eyes, just as single-minded and purpose are commonly reflected in a steady gaze and firm set of mouth and jaw'.[722] The meat-traders, Union International, apparently did not like red-heads.[723] A hotel where 'Appearance is of primary importance' would not consider applicants with glasses.[724] One technical graduate was advised in the 1950s that there was only one case of a beard-wearing man succeeding in industry.[725] One head of research at Glaxo would reputedly not recruit candidates wearing green, since he saw this as a sign of homosexuality which was undesirable, he believed, because gay men were incapable of scientific breakthroughs.[726] Less surprising was an interest in how smartly candidates presented themselves – British Aerospace graded interviewees as good, normal, scruffy or unusual, and regarded this as a manifestation of personality.[727] Dress, body language, and manners have long been considered as referents for trustworthiness.[728]

Before 1945, some of the overseas trading companies based their recruitment on Scots, and some traditionalists were concerned that a shift to graduate recruitment might diminish the necessary quota of 'the solid, plodding type from Scotland'.[729] Sir Robert Waley Cohen of Shell offered patriotic hubris in seeking men who 'exemplified the native characteristics of the British race'.[730] Anti-Semitic attitudes lurked in some quarters and, indeed, one careers service head was reputedly removed in the 1960s for writing remarks on student cards. In the 1960s, the Youth Employment Service in London reluctantly used special signs on employer vacancy cards showing which firms

[722] Heussler, *Yesterday's Rulers* (1963), 74-5.
[723] Joan Hills (Interview).
[724] ISC1/19/1/1 (1933?).
[725] Dunsmore, *Remember Your First Job?* (1992), 23.
[726] Richard Stokes (Interview).
[727] BAC interview form, undated but 1970s.
[728] Sztompka, *Trust* (1999), 42.
[729] Jones, *Merchants to Multinationals* (2000), 207, 209.
[730] Sampson, *Company Man* (1995), 76.

would not consider Jews or blacks for jobs: some banks had well known preferences.[731] The short-lived Gradate Appointments Register (a matching scheme) found that many firms registering for the service in 1962 specified 'no coloureds'.[732] By contrast, the head of the Public Schools Appointments Bureau placement activity for many years did not encounter anti-Jewish discrimination with the companies she dealt with and, from hundreds of vacancy cards over thirty years, just one small furriers specified 'no Jews or foreigners'.[733] Large companies were typically less implicated because decisions were more likely to be scrutinised, and because large needs for talent made irrational restrictions more costly. For example, the managers of Littlewoods were robustly informed to apply the same standards to blacks (and women) as anyone else.[734] John Moores was, however, less tolerant of Catholics in top jobs as he feared cliquishness in Liverpool where the firm was based.[735] The incoming head of the Oxford CAS found no trace of discrimination in vacancies in 1970.[736] Nonetheless, into the 1970s, many recruitment professionals 'dislike dealing with sensitive areas such as colour, race, sex, religion and politics' because '...the recruiter is often sitting in the middle between the applicant who suspects – rightly or wrongly – that there is discrimination, and the manager who is sometimes quite determined to discriminate and regards it as the recruiter's responsibility to avoid any legal consequences'.[737]

Whilst some of the examples above are illustrations of crude discrimination they have generated less controversy than the dimensions of gender and class. The size of the

[731] Interviews with Florence Chamberlain, David Duncan.
[732] Heseltine, *Life in the Jungle* (2001), 75.
[733] Joan Hills (Interview); ISC1/18 12/10/1953 (George Smith & Sons).
[734] Bernard Ungerson (Interview).
[735] Richard Stokes (Interview).
[736] Tom Snow (Interview).
[737] Prentice, *The Employment of Graduates* (1976), 113-4.

reaction was created not only by the larger numbers potentially affected. Because there are many differences in behaviour between classes and sexes that could plausibly have effects on business performance, there is a long tradition of using these categories as a rough guide to choosing between candidates. Their imprecision and collectivist orientation imply that such proxies previously constricted the full recognition of talent. However, persistent differences in outcomes that have persisted despite major social, legal and economic changes, suggest that old proxies had at least some real basis. Their use has been undermined not only by law but by the creation of better tools for measuring individual attributes, and by the growing knowledge that differences between group averages are almost always exceeded intra-group differences.[738]

These themes are too complex, and have generated too large a literature, to allow a restatement or serious reinterpretation here. However, judging the extent to which companies were willing and able to tap all significant sources of equivalent talent makes it useful to analyse the recruitment outcomes for those from lower class backgrounds. Space limitations, and the fact that the issues involved share many commonalities, means that the question of gender is not treated here. It is worth noting however, that, whilst a gender proxy was widespread in recruitment until the 1960s, disparities in recruitment outcomes were substantially reduced by the major changes in average educational performance of women between 1945 and the present. Class differences, by comparison, have been more intractable.

It is neither original nor controversial to observe that the occupational success of young people has traditionally shown a significant correlation with that of their parents. Surveys between 1939 and 1971 show us that a variety of elite occupational groups in

[738] Pinker, *The Blank Slate* (2002), 147.

British society were dominated by people who had attended socially elite schools.[739] The proportion of business executives drawn from the top two occupational classes, including those whose fathers were themselves executives, has traditionally been high.[740] In BP, for example, about a fifth of all male staff in 1961 had attended public schools, but 36% of branch managers, 48% of assistant general managers, and 71% of departmental general managers had done so.[741] More generally, labour market outcomes for graduates drawn from the lower classes – whether in salaries, promotion prospects, or the likelihood of obtaining a traditional graduate job – were worse, and one study found that the gap in favour of middle class children may even have grown between the 1958 and 1970 birth cohorts.[742] As social mobility studies have shown, these results were not exclusively intermediated through the education system.[743]

Differences in outcome raise two questions. Was social class itself used by recruiters as an independent criterion in their pre-selection or selection? If so, did the class criterion represent a genuine proxy – i.e. reflecting actual differences in probable productivity – or an uncompetitive privilege delivered through an 'impersonal, class patronage'.[744] This hypothesis can be exemplified through Augar's critique of the British banks' inability to retain their dominance of investment banking activities in London, partly due to management teams who had 'emerged from the public school and National Service with a respect for hierarchy, conservatism and with bags of self-confidence' but

[739] Boyd, *Elites and Their Education* (1973), 111-113.
[740] E.g. Stanworth & Giddens, 'An Economic Elite' (1974); Whitley, 'The City and Industry' (1974); Kaelble, 'Changes in the Recruitment of the Business Elite' (1980); Useem, 'Corporations and the Corporate Elite' (1980).
[741] Bamberg, *British Petroleum and Global Oil* (2000), 71.
[742] Elias, *Moving On* (1999), 43, 45; Acton Society Trust, *Management Succession* (1956), 28-9; 'The Rich are Different', *Economist* (06/04/2001), 29.
[743] E.g. Glass DV 'Introduction' (1954), 21; Marshall et al, *Against the Odds?* (1997), Ch.5 & 5;
[744] Quail, 'From Personal Patronage to Public School Privilege' (1998), 3, 8, 10.

who were unable to cope with 'a more complex, fast-moving world'.[745] The last possibility of rescue by British commercial banks was lost, in part, because the latter's grammar school educated managers often lacked the nerve to challenge the overbearing merchant bankers.[746]

Unsystematic as it may be, the evidence is that class, or at least an imperfect proxy for it in private schools, was used by some recruiters as a criterion until the 1960s. Imperfect, because whilst it might be true that most fee-paying parents were middle class, that class was evolving and the dominance of the old upper orders from the grander schools within the various elites was being replaced by a broader based middle class from lowlier institutions.[747] In particular, parents of children at public schools were increasingly likely to have business backgrounds and, by the 1970s, fewer than half had attended private schools themselves.[748] So even if, say, merchant bankers insisted on learning about candidates' schools, this could not provide a definitive test of social class.[749] Other tests existed however.

Questions could be asked about family background and occupation directly.[750] CASs might record information on parental titles and occupation in letters of recommendation.[751] Intermediaries such as Gabbitas & Thring (an agency for public school teaching appointments) classified candidates in interviews using such categories as 'Gent (Manner & Appearance)' or, for someone not to be touched with a bargepole,

[745] Augar, *The Death of Gentlemanly Capitalism* (2000), xiii.
[746] Ibid, 38.
[747] Razzell, 'Social Origins of Officers in the Indian and British Home Army' (1963); Otley, 'The Educational Background of British Army Officers' (1973); 197; Boyd, *Elites and Their Education* (1973), 111-113.
[748] Rae, *The Public School Revolution* (1981), 169; Dennison, *Choice in Education* (1984), 32.
[749] Kynaston, *The City of London 1945-2000* (2001), 213.
[750] Jones, *Merchants to Multinationals* (2000), 207.
[751] Tom Snow (Interview).

'Fair MA'.[752] The irascible Captain Pullein-Thompson – removed from PSAB when it was modernised – could spot those 'with lower deck in their blood'.[753]

But, over the 20th century, the assumed exclusive association between social class and leadership decayed. Careers advisers claimed, from the 1920s onwards, that class distinctions counted for less, and achievements correspondingly more, in obtaining positions.[754] Explicit references to class as a motive for hiring became an embarrassment.[755] By the early 1960s, only small minorities of firms would admit to giving preference to graduates from public schools.[756] In Oxford, the mark for public school preference on vacancy notices was abandoned in 1966 since so few firms ever referred to this dimension.[757] In Cambridge in the same period, the head of the CAS, Jack Davies, could only think of a handful of 'small intimate concerns' (e.g. solicitors or stockbrokers) who would still ask specifically for the products of public school boys, and he argued that the practice had genuinely disappeared permanently, not just gone underground.[758] Nonetheless, the historian of Goldman Sachs claims that, when they entered the newly liberalised British financial markets in the 1980s, they took advantage of 'centuries of British snobbery by hiring bright Oxford and Cambridge graduates' from non-traditional backgrounds'.[759]

To the extent that a class proxy was used, or that subsequent recruitment outcomes differed by class, did this reflect unsubstantiated stereotypes or genuine differences in average performance? There are both a priori and empirical reasons to believe the latter

[752] Boston, 'A Card Index of the Past Masters', *Guardian* 20th January 1990.
[753] Joan Hills (Interview).
[754] Laborde, *Choosing a Career* (1935), 10; DOG 1958 15.
[755] Heussler, *Yesterday's Rulers* (1963), 35.
[756] Collins et al, *The Arts Graduate in Industry* (1962), 25.
[757] PRO ED148/10 Piece 37.
[758] PRO ED148/10 Piece 31.
[759] Endlich, *Goldman Sachs: The Culture of Success* (2000), 133.

was increasingly the case. Unlike, say, race, social class is something that has become mostly achieved and at societal level is subject to constant sorting. Bright people of any class background are likely to end up in middle class occupations (whereas people do not change races based on their success), so IQ scores and income correlate strongly.[760] People tend to marry partners of similar intelligence and produce children whose IQs are close to theirs, leading to differences in measured average intelligence by class.[761] This persistence of intelligence between generations is only partially genetic in origin, and is also explained by intrauterine micronutrients, early upbringing, and environment.[762] Regression to the mean, caused by random variations in genetic influences, mean that, on average, parents whose IQs are an average of 114 will produce children with an average IQ of 109. Likewise, the children of less able parents have an average intelligence slightly above them, creating the basis for many to refresh the middle classes and replace the downwardly mobile.[763] That effect, as well as the fact that large intra-occupational variations in IQ are large, means that class background is an imperfect predictor of any individual's intelligence.[764] The correlation between IQ and educational achievement is constrained both by issues regarding the testing of intelligence and the influence of other factors than intelligence on education.[765] Consequently, what Holloway called 'examinocracy' is not necessarily the same thing as

[760] Cook, *Personnel Selection* (1998), 129; Saunders, *Unequal But Fair?* (1996), 31-32, 40.
[761] Argyle, *The Psychology of Social Class* (1994), 149-155; Halsey cited in Saunders, *Unequal But Fair?* (1996), 22-3.
[762] 'The Child is Father to the Patient', *Economist* (14/06/2003), 97-8.
[763] Waller cited in Saunders, *Unequal But Fair?* (1996), 31-32, 40.
[764] Berg, *Education and Jobs* (1971), 41-2.
[765] Marshall & Swift, 'Merit and Mobility' (1996), 383.

meritocracy.[766] Nonetheless, the assumption of some models of social mobility that ability is evenly distributed by classes is misleading.[767]

Differences in average levels of measured intelligence, reinforced by family attitudes to education and ability to invest in skill development, mean that the pools of those with excellent academic qualifications are composed disproportionately of young people from the higher social classes. In 1961, about 20% of pupils at independent schools achieved three or more A-levels versus just 3.1% of those from the state sector. By 1981, the proportion of state pupils achieving this had doubled to 7.1% but, meanwhile, the proportion of pupils from independent schools doing so had risen to 45%.[768] Those doing well in state schools were also strongly sourced from social classes I and II.[769] Better secondary qualifications also mean that the institutions of higher education with the toughest entry requirements have been dominated most strongly by children from the higher occupational classes.[770]

British recruiters relied on the educational system to provide a first sifting of talent and, inevitably, found that, for example, ex-pupils of private schools represented a significant proportion of their plausible candidates. In the late 1980s, Esso found that about a quarter of their entrants had attended private schools, then about the same proportion as in the student population.[771] Two-thirds of those who passed the selection process for Unilever's management training scheme in the mid-1990s had attended private schools, something which made them worry whether excellence was not being

[766] BJH/16: 'Vocational Counselling' (1975), 2.
[767] Brezis & Crouzet, 'Recruitment and Education of Upper Elites' (2002), 21.
[768] Hollinghurst, 'Management Education Factors' (1997), 75.
[769] Wolf, *Does Education Matter?* (2002), 191.
[770] Woodhead, *Class War* (2002), 146; Wolf, *Does Education Matter?* (2002), 213.
[771] Esso: Graduate Recruitment Report (1988).

achieved with too great a reliance on 'Predominantly white middle class kids going to elite schools'.[772]

Educational qualification is not the only dimension where class has an impact on outputs considered by typical pre-selection criteria. Children from working class backgrounds seemed to have a less informed idea of what they wanted from their career. One interviewer for Lewis' department stress in the 1930s found such candidates from day schools 'useless' at interview because of their vocational uncertainty.[773] Surveys of sixth formers and graduates in 1976 and in the early 1990s found that working class candidates had less knowledge of careers and less well defined career orientations.[774] This was not because private schools devoted more resource to vocational guidance: surveys from the 1960s to the 1980s found differences between private and state schools to be minor.[775]

Middle class students were also more likely to aspire towards careers in competitive and high-paid occupations in the private sector which, presumably, translated into subsequent application patterns.[776] This is partly due to overall differences in 'need for achievement', as defined by David McClelland – he found in the 1950s that whereas 83% of children from social classes I and II displayed this need, only 43% in class III and just 23% in Class V did so. He attributed this to socialisation.[777] In addition, students from the lower classes have displayed a greater orientation towards traditional bureaucratic careers, even as their middle class peers have adapted to requirements by

[772] Unilever: Graduate Recruitment Report (1995/6).
[773] APTB 14/15 (Interview with Mr Lloyd, secy of Lewis's undated but 1937).
[774] ISC1/19/3/155 (1976), 40; Cheung, 'Meritocracy Revisited' (1997), 16-7.
[775] Rodger, 'Stagnation in Vocational Guidance' (1964); ISC1/19/3/148 (1974), 14-15; ISC1/19/3/188 (1987), 57.
[776] Herriot, *Down from the Ivory Tower* (1984), 128; Howard, 'Elite Attitudes Start at School – Not University', *The Sunday Times* (11/6/2000 Appointments Section).
[777] McClelland, *The Achieving* Society; Argyle, *The Psychology of Social Class* (1994), 165.

organisations for a more flexible approach.[778] This has been explained by reference to psychological factors (i.e. differential levels of self-esteem and perceived self-determination) or as a reflection of comparative advantage by social class in inter-personal skills.[779] It has resulted in differences in occupational destinations that have persisted since at least the 1930s.[780]

Until the 1960s, recruiters perceived links between class, school background and various pertinent aspects of personality, including the idea that whereas 'In England universities train the mind; the public schools train character and teach leadership'.[781] By contrast the head of Civil Service recruitment saw state secondary schools as institutions where 'crammability is over-rewarded and personality is to a great extent neglected'.[782] The list of qualities believed to exist to a greater degree at private schools could be flatulent: 'that almost indefinable mixture of pluck, knowledge, good humour, self-reliance, self-restraint, loyalty to institutions and readiness to "play the game according to the rules"', and displaying a willingness to back their own judgement.[783] Spicers the paper merchants in the 1950s sought 'shrewd common sense and that savoir faire and poise that one looks for from a boy from a public school'.[784]

A more plausible basis is offered by Argyle's analysis of the psychology of class where he cites a wealth of studies where traits correlated with leadership in small groups (participation in discussion, extroversion, emotional adjustment, assertiveness, achievement motivation, decoding facial expressions, seeing other points of view,

[778] Brown & Scase, *Higher Education and Corporate Realities* (1994), 89-96, 112-3.
[779] Herriot, *Down from the Ivory Tower* (1984), 102; Barry et al, *Engineers in Top Management* (1997), 74, 94.
[780] e.g. Spens, *University Education and Business* Tables I-VI, 19, 63-68.
[781] Heussler, *Yesterday's Rulers* (1963), 82.
[782] Chapman, *Leadership in the Civil Service* (1984), 124.
[783] RP Scott cited in Quail, 'From Personal Patronage to Public School Privilege' (1998), 7; Owen, *From Empire to Europe* (1999), 419.
[784] ISC1/18 23/02/1953.

making friends, knowledge of rules and convention and rationale for them etc.) are more pronounced amongst higher class participants. Socialisation makes a major contribution to such characteristics, even if education later amplifies their effects.[785] Children from poorer backgrounds also appear to have lower average levels of 'emotional intelligence', are more prone to fatalism, and are less likely to defer gratification.[786]

Differences in IQ scores, qualifications, vocational knowledge and aspiration, and in certain personality factors, have ensured an above average representation of young people from a higher social class background amongst applicants and entrants to potential manager positions within firms. Over time, however, this was less likely to be a direct class proxy but rather to the manifestation of specific advantages in qualities sought by business. Consequently, by the time laws and codes of practice controlling non-discriminatory practice in hiring were created in the 1970s and 80s (e.g. the Institute for Personnel Management general code of recruitment practice 1979, the Commission for Racial Equality's code of practice of 1983, the Equal Opportunities commission code of practice of 1986), their main demand that tests and practices should be strictly related to job requirements was already the prevalent reality in graduate recruitment by large firms. Independent observers of recruitment practice, including AGCAS, who studied the handling of working class and women students, confirmed that as regards pre-selection and initial selection 'there is little evidence that the employers of graduates discriminate against them'.[787] Even relative sceptics of trends in corporate recruitment

[785] Argyle, *The Psychology of Social Class* (1994).
[786] Goleman, *Working with Emotional Intelligence* (1998), 11; Marshall et al, *Against the Odds?* (1997), 139.
[787] Herriot, *Down from the Ivory Tower* (1984), 132; ISC1/19/3/171 (1981), 19.

thought it simplistic to accuse firms of deliberate exclusion of non-traditional candidates.[788]

A mere absence of discrimination, though, was not enough to exhaust companies' proper interest in uncovering talent. Firms could try and see beyond current circumstances to longer term potential. Senior managers were aware that sometimes those handling recruitment had 'very little imagination about anything outside' their own social strata, including little knowledge of the non-selective parts of the educational system.[789] Genuine potential might be obscured, therefore, by factors of only temporary relevance (specific opportunities, pure luck) or of limited long term relevance (personal presentation, voice and appearance).[790] For example, lower class candidates may have been constrained by family or economic circumstances from participating in extra-curricular activities.[791] Seeing through such factors is scarcely easy, and requires a certain leap of imagination for which it is hard to specify the appropriate extent. Unilever was also capable of spotting hidden talent, as the case of Peter Thompson exhibits. He had been pessimistic about his chances of obtaining a post because, despite his degree, he had had a dismal National Service record (reaching just corporal), attended a redbrick institution, and had a pronounced Yorkshire accent.[792] Yet he was selected, and was successful enough to lead the National Freight Corporation into privatisation.

An old rule of thumb has it that the best place to obtain performance is to copy past models of success. Recruitment in this case can consist of attempting to 'clone' senior

[788] Brown & Scase, *Higher Education and Corporate Realities* (1994), 142.
[789] APTB 14/13 piece 52 (William Heinemann).
[790] Pinker, *The Blank Slate* (2002), 150; Payne, *All Things to All People* (1999), 31.
[791] Purcell et al, *Working Out?* (1999), 20.
[792] Thompson, *The Story of NFC* (1991), 26.

managers. In Marks & Spencer, from the 1930s until the 1960s, certain qualities were seen as desirable amongst entrants: 'a little above average intelligence', 'a lot of common sense', and ideally 'a slight Manchester accent', which led some observers to accuse them of creating gingerbread men.[793] This impression lasted at least until the 1970s.[794] Likewise the forcefulness of Procter & Gamble's culture was such that entrants were sarcastically referred to as 'Proctoids' and their characteristic personality type was supposedly identifiable without the help of selection tools.[795] The precision of competency frameworks raised the theoretical possibility that over precise definitions might reduce useful individuality. However, the benefits of undermining ad hoc criteria and the influence of 'personal chemistry' probably outweighed this.[796] The danger, as the shoe manufacturers Clarks noted, was that developing managers to match a current image did not necessarily produce good entrepreneurs, capable of operating in fresh and new markets'.[797]

Within BP, the class dimension was part of this stereotype – their Staff Department characterised their own managerial entrants in 1966 as 'the kind of person if you met him at a cocktail party you'd say – awfully nice chap'.[798] Likewise, one careers adviser thought Unilever's UCMDS entrants in 1975 all looked 'articulate, academically able, smartly dressed, short-haired and basically middle class' and was disturbed, as was the company historian.[799] This was counter-balanced to some extent, though, by the fact that, by 1984, no more than 9% of total managers had come into the company via

[793] Bevan, *The Rise and Fall of Marks and Spencer* (2001), 38, 52.
[794] APTB 10/23, 17/12/74 JFH.
[795] Swasy, *Soap Opera* (1993), 4; Martin Duffell (Interview).
[796] Donkin, 'The Selection Question', *Financial Times* (27/5/1998), 31; Buckingham, 'Clone-Free Zone', *People Management* (30/9/1999), 43-5 and subsequent correspondence.
[797] OUCS/3 (C&J Clark), visit notes by TS 30/06/1972.
[798] Bamberg, *British Petroleum and Global Oil* (2000), 329.
[799] APTB 10/29 (Unilever) 20/2/75 AJR; Wilson, *The History of Unilever* (3 Vols., 1970), iii, 53.

UCMDS, and other entry routes drew on different social and educational backgrounds. Recruiters, aware of inherent uncertainty, and evolution in the types of person that may succeed in time, may have looked to recruit successful overall cohorts, knowing well that some individuals will fail or disappoint while others may flourish unexpectedly.[800]

The low sorting efficiency of the education system in Britain before 1945 meant that British companies needed alternative channels to bring able but uneducated young people into management by other means. In the 1950s, only five out of 51 firms would not consider non-graduates for jobs for which where graduates were recruited, even if graduates were expected to go further.[801] The existence of such channels is exemplified by John Weston, Chief Executive of the aerospace company BAE Systems from 1998-2002. He joined BAE as a craft apprentice in 1970, and was later sponsored through a degree at Cambridge.[802] Even as late as the 1990s, one study of 400 corporate high-fliers found that fully one-third did not possess a degree, even if almost all the younger ones were graduates.[803] Over time, though, as the educational system became more inclusive, alternative channels narrowed or disappeared. Within the Bank of England in the 1970s a non-graduate might reach the fast-track, but key secondments abroad were more difficult to obtain for non-graduates.[804] In the City, the old progression of bright young east-enders from back office to front office diminished as complex systems displaced

[800] Jenner & Taylor, *Recruiting, Developing and Retaining Graduate Talent* (2000), 41; Sofer, *Men in Mid-Career* (1970), 16.
[801] PEP, *Graduates in Industry* (1957), 18.
[802] *Financial Times* 27/03/2002 23.
[803] Holbeche, *High Flyers and Succession Planning* (1998), 31.
[804] OUCS/3 (Bank of England), discussion note MJD 14/07/1976.

pure trading instinct in money-broking.[805] Within Unilever, by the 1990s, 'it is now virtually impossible… to get a management job without being a graduate'.[806]

5.1 UK specificity?

Britain was far from unique in experiencing complicated inter-relations between selection criteria and social categories. Harrell tells us that, around 1960, the best chance of becoming the president of a large American company was to have ability above the 90% percentile, to be better adjusted than the average person, and to have a breadth of interests. It also helped being a white Harvard graduate with a businessman father, born on the east coast into a high status protestant family. To be president of a smaller company the criteria were similar but with a Jewish background.[807] Forty years later, Temin could claim that little had changed.[808] This highlights the fact that the more diverse American society of the 1950s and 1960s (compared with the UK) still had many dimensions of potential tension, with worries about recruitment bias along ethnic, political, and religious lines.[809] One late 1960s study of business attitudes to religious affiliation found that Episcopalians were seen by other groups as the most valued managerially, ethically, and socially. Mormons and Catholics were rated less highly but overall they were net beneficiaries of social consideration. Jews were seen as capable but 80% felt that their affiliation was a hindrance to their progress. Agnostics were rated

[805] Kynaston, *The City of London 1945-2000* (2001), 787.
[806] Harvey et al, *Graduates Work* (1997), 36.
[807] Harrell, *Managers' Performance and Personality* (1961), 99.
[808] cited in Brezis & Crouzet, 'Recruitment and Education of Upper Elites' (2002), 17.
[809] e.g. Dalton, *Men Who Manage* (1966), 175.

lowest on most dimensions.[810] Such views were most likely to influence recruitment where companies were vague about their hiring policies.[811] Discrimination can be complex – when Sandy Weill, later head of Citigroup, sought work on Wall Street in the 1960s he found that many mainstream firms were unwelcoming to Jews, but he also found that Goldman Sachs seemed to prefer descendents of German Jewish émigrés over those from Eastern Europe.[812]

America also experienced associations between class, education and business recruitment success. Young people from wealthier backgrounds were more likely to attend selective schools with strong links to elite universities, and possess a better profile for business recruiters.[813] Social self-selection has operated there too: a 1950s commentator felt that 'Few in the lower cultural levels aspire to positions of major responsibility; the distances are too great, the barriers are too numerous, and these people have no close associations with successful businesses'.[814] Early pre-selection criteria, though, ignored such subtleties and used class directly as a proxy: inter alia, recruiters 'generally prefer those with upper-class interests'.[815] In the 1940s, for example, CASs required registering students to provide them not only with college grades and other ratings, but also data on their father's education, line of business and ancestry.[816] In 1956, 38% of firms regularly received information on students' family backgrounds, whilst a further 42% did not do so, but wanted it.[817] Subsequent iterations tried to focus on more general factors – in 1964 Inland Steel expected information on

[810] Powell, *Race, Religion and the Promotion of the American Executive* (1969), 146ff.
[811] Quinn et al, *The Chosen Few* (1968), 8-9.
[812] 'King of the High C', *Economist* (29/03/2003), 90.
[813] Useem, 'Corporations and the Corporate Elite' (1980) 56-7; Devine, *Social Class in America and Britain* (1997), 122-3.
[814] McMurry, 'Man-Hunt for Top Executives' (1954).
[815] Mottino, 'Whom Would You Hire?' (1996).
[816] Morgan, 'Senior Placement at Lehigh University' (1940), 25.
[817] NICB, *Employment of the College Graduate* (1956), 18.

life insurance coverage, the previous four addresses, reasons for leaving former jobs, any arrest information, housing and credit status, as well as references.[818] One successful US firm looked for students who had worked in haberdashers on or near campus, believing that this reflected a desirable set of 'appetites, skills and styles'[819]

The French case is closer to the British one insofar as class issues have pervaded debates regarding recruitment. After the war, de Gaulle hoped to diversify the social origins of the higher civil service by imposing unified training and doing away with particularistic exams that had been breeding grounds for middle class nepotism. But the proportion of students at the main training academy for this, ENA, has only about one-third as many working class students as in 1950.[820] The business-oriented Grandes Écoles, such as HEC, have been scarcely less exclusive.[821] This has been one factor in maintaining a greater degree of social and educational exclusiveness in French boardrooms than in Britain, and has been sustained by recruitment policies.[822] At the same time, various commentators from the 1960s to the 1990s note that alternative, 'second chance', channels to executive grades are limited indeed.[823] A similar glass ceiling of qualifications in Germany may have had the merit of being objective, even if not always relevant, but it is still claimed that class-linked personality factors have been at least as important in easing the attainment of elite management positions.[824]

[818] Mandell, *The Selection Process* (1964), Ch.11.
[819] Berg, *Education and Jobs* (1971), 75.
[820] *Time* (22/04/2002), 64.
[821] Cassis et al, *Management and Business in Britain and France* (1995), 145.
[822] Shaw, 'Engineers in the Boardroom' (1995), 167; Mosson, *Management Education in Five European Countries* (1965), 47-8, 50.
[823] *Personnel Management* No.364 (1963), 5; Mitchell, *Selection and Career Development of Graduates* (1991), IBM annex; Swartz, 'French Corporate Leadership' (1984), 11, 29.
[824] Stewart et al, *Managing in Britain and Germany* (1994), 55-6; Hartmann, *Der Mythos von den Leistungseliten* (2002).

Chapter 6: The Creation of a Recruitment Market

To take advantage of the increased sorting ability provided by the educational system, recruiters needed to find ways of making contact with potential candidates. This chapter describes the efforts involved in moving from localised, informal recruitment to the creation of a national market for educated young people.

The relentlessly negative experiences of shareholders with hired managers in joint stock companies until the late 19th century provoked multiple, but largely unsuccessful, attempts to diminish the risks involved: detailed rule books, sureties paid in advance, and incentive payments.[825] Even in the 1930s, corporate managers could still be viewed as a necessary evil.[826] The most enduring mechanism for harmonising the interests of principals and agents was that of patronage which depends on the fact that the long term value of personal reputations usually exceeds any benefits from short term opportunistic behaviour.

Patronage uses reputations to control employment and offers both information on candidates as well as feedback by which unreasonable behaviour is made costly. The trust underpinning the system can be imagined as concentric circles with family members at the centre. Beyond them are other persons known directly, then those who share institutional connections, or where there is a link through a shared religion, profession or country, and individuals who hold certain recognised social roles such as doctors or notaries.[827] A track record of predictable behaviour due to family connection,

[825] Pollard, *The Genesis of Modern Management* (1965), 12-54; 146-8.
[826] Berle and Means, *The Modern Corporation and Private Property* (1968), e.g. 78-84, 116.
[827] Sztompka, *Trust* (1999), 70ff.

loyal service within a firm, or recommendation from a known party allowed a form of 'control in the absence of alternative information-processing, communication, and control technologies', across most industries and even for activities at a geographical remove.[828]

There is understandable contemporary suspicion of such exclusive methods of recruitment and promotion with their opacity and their mix of 'influence, nomination, or personal application'.[829] Moreover, it has been suggested that the prominence of personal networks in Britain was accompanied by cultural influences and institutional forces which hampered meritocracy.[830] But for all its imperfection, patronage did provide benefits. It was simple and therefore cheap to operate at the relatively low levels of recruitment before the rise of large organisations. It provided candidates insight into the potential employer, given credibility by the role of a trusted intermediary, and bound them into a relationship of obligation. As the experiments by Stanley Milgram on the transmission of letters showed, social networks can show impressive efficiency in passing information between acquaintances when engaged purposefully.[831]

Middle class patronage could produce leaders of undoubted merit. So Geoffrey Heyworth, a competent and energetic man, was introduced into Lever Brothers via a family connection and rose to become chairman.[832] Lord Woolton, having entered Lewis' department stores by similar means, proceeded to antagonise old insiders by

[828] Beniger, *The Control Revolution* (1986), 127; Pollard, *The Genesis of Modern Management* (1965), 107-125, 134; Hannah, *The Rise of the Corporate Economy* (1983), 72-79; Musson, *Enterprise in Soap and Chemicals* (1965), 146-9; Jones, *Merchants to Multinationals* (2000), 207.
[829] Description of entry to the advertising business in the early 1900s: Williams, *Careers for Our Sons* (1914), 468.
[830] Rose, *Networks and Leadership Succession* (1998), 12.
[831] Milgram, 'The Small World Problem' (1967).
[832] Wilson, 'Management and Policy in Large-Scale Enterprise' (1977), 138.

pressing reform.[833] Alastair Pilkington, the main force behind the invention and commercialisation of float glass, entered Pilkington's as a family trainee after the war by virtue more of his name than his degree from Cambridge, even if he was from a long lost branch of the family.[834] Patronage, however, could only handle relatively small numbers of candidates and, consequently, represented a bottle-neck for the flow of talent as the number of bright young people identified by the education system grew.

6.1 Recruitment Growth and Strains on Patronage

The growth of large business organisations in Britain, as elsewhere, was voracious in its demands for managerial personnel as organisations expanded in three directions – horizontally, vertically, and via mergers.[835] In many industries rises in unit size were accompanied by increases in the proportions of managerial and supervisory staff. In chemicals, the number of employees per foreman or supervisor fell from 24 in 1911 to 15 in 1951; while in metal processing the number fell from 54 to 12. Overall, the proportion of managers and administrators grew from 3.4% of the British workforce in 1911 to 5.5% in 1951.[836] In Midland Bank, over 550 new managerial positions were created in the 1920s and 1930s even as the workforce remained constant.[837] Courtaulds, a successful company by most measures, was forced to abandon an ambitious 1937

[833] Keeble, *The Ability to Manage* (1992), 47.
[834] Barker, 'Pilkingtons', (1977), 191.
[835] Balfour Committee, cited in *The Journal of Careers*, Vol. VI, No.63 (April 1927), 5; Supple, 'A Framework for British Business History' (1977), 11; Gourvish, 'British business and the transition to a corporate economy' (1997), 584; Hannah, *The Rise of the Corporate Economy* (1983), 72-79.
[836] Routh, *Occupations of the People of Great Britain* (1987), Tables 3.1 and 4.2.
[837] Holmes & Green, *Midland* (1986), 111; 173.

scheme to buy out its competitors in rayon due to a lack of management talent to control the new entities.[838]

Post-war, companies were faced with a situation where managerial ranks were depleted after years of wartime manpower starvation, and labour was short. Pre-war trends continued with the ratio of administrative and managerial employees growing relative to operatives in manufacturing industry, and ratios could be even higher in the financial sector.[839] Unilever, whose management grew by nearly 50% between 1955-65 alone, concluded that 'The limits of effective expansion are likely to be set very largely by the extent to which an adequate supply of capable managers with the appropriate experience can be developed to meet the changing needs of the concern'.[840] Lloyds Bank, which had been spoilt for choice in the 1930s when young people sought safe employment, found male recruitment by 1951 a real problem.[841]

Institutions of secondary and higher education found that their previous role in guiding students, and perhaps performing an 'occasional manipulation of the Old Boy net' on behalf of, those 'from families without connections, who have to find openings for themselves...' was expanding by necessity.[842] Whereas in the 1930s, careers staff and the Public Schools Careers Association were basing their work on the needs of a small minority of 'difficult cases', perhaps 1-5%, by the 1950s the proportion being seen was more like 12-20% and the help provided rather more extensive.[843] Attempts to help such students at Peterhouse College Cambridge persuaded an executive at Heinemann's that

[838] Coleman, *Courtaulds* (1969), 234 & 237.
[839] Gospel, *Markets, Firms and the Management of Labour* (1992), 111; Drucker, *Management* (1974), 350-354; Fores & Glover, *Manufacturing and Management* (1978), 56; Bamber & Snape, 'Britain' (1989), 20.
[840] Wilson, *The History of Unilever* (3 Vols., 1970), iii, 48, 52.
[841] Winton, *Lloyds Bank* (1982), 152.
[842] Lockhart in ISC1/19/3/155 (1976), 65; Weston, *From Appointments to Careers* (1994), 63.
[843] PSCA AR (1933); Robert Dunsmore (Interview).

the importance of 'influence and nepotism' was increasing in 1938.[844] In reality this was more a sign of difficulties for patronage rather than of its resurgence.

Patronage could be costly in management time: providing or gathering recommendations could be resource intensive and the activity offered few economies of scale as both parliamentarians and bankers complained in the 19th century.[845] The head of the North-Eastern Railway, with over 44,000 staff, was unusually open to hiring graduates but found that he was pestered by unsolicited letters from persons he did not know recommending youngsters as potential managers. To avoid time-consuming investigation and voluble parents he normally sent a standard rejection letter, stating that there were no vacancies.[846]

Secondly, the old professions were better connected to patronage channels than companies which meant that, in the absence of satisfactory other means of transmitting information about themselves, there was widespread ignorance by students both of who potential recruiters might be and what they offered. Few of even those intending to enter business word could 'have more than the vaguest idea of the career which lies before them'.[847] This sustained the 'widespread belief' that teaching and the civil service were the only careers open to arts graduates in the 1930s, and to accept inferior jobs due to ignorance of the market.[848]

Thirdly, unsystematic procedures produced inconsistent information that was only approximately comparable. This was unhelpful both to recruiters and frustrating for

[844] APTB 14/15 (Interview with R Welldon Finn, Heinemanns).
[845] Chapman & Greenaway, *The Dynamics of Administrative Reform* (1980), 35; Supple, *The Royal Exchange Assurance* (1970), 390.
[846] CUCS, *History of the Cambridge University Careers Service* (2002), 7.
[847] Laborde, *Choosing a Career* (1935), 69; Dunsmore, *Remember Your First Job?* (1992), 10.
[848] Captain Pullein-Thompson in the Careers Advisory Bureau 'Special Monthly Bulletin', No.10 (June 1936), 10; UMCAS AR (1948).

candidates. As the declaration of London County Council and the Federation of British Industry (FBI) in 1918 put it 'at present entrance to many occupations is haphazard and to a large extent the result of nomination and personal influence' and suggested that 'a more scientific system should be set up, in which the attainments and abilities of the young persons individually may receive due consideration in their appointment to positions in industry'.[849]

One reaction to these problems with the old system was to stretch its existing properties to cope. In business, nepotism and competence were better reconciled by imposing proper outside training and prolonged review before family members would be accepted into positions of responsibility. At Pilkington, for example, many family trainees were eased out after unsatisfactory reports from departmental managers and, in parallel, a traineeship scheme for outsiders was created from 1933.[850] Across several industries, from retailing to electronics, those hoping to become family directors were expected to obtain proper qualifications and/or prove themselves outside and inside the firm before being awarded executive status.[851] Recommendations of family members might still be accepted, but they were bound by rules – at Littlewoods managers' sons without degrees could be recruited into separate departments whilst at ICI directors' sons were considered as potentially embarrassing and so discouraged.[852] Even in

[849] Keeble, *The Ability to Manage* (1992), 46.
[850] Barker, *The Glassmakers* (1977), 236, 329-331; Barker, 'Pilkingtons' (1977), 191.
[851] Dale, *Harrods* (1995), 132; Church, *Kenricks in Hardware* (1969), 144; Alford, 'Penny Cigarettes, Oligopoly, and Entrepreneurship in the UK tobacco industry' (1977), 55; Kennedy, *The Merchant Princes* (2000), 245; Wilson, *Ferranti: A History* (2000), 288; OUCS/3 (Sainsburys), letter JS to Escritt 11/04/1957.
[852] Richard Stokes (Interview); APTB 10/4 236 (ICI).

conservative Barclays post-1945, and even if there was no 'shift towards open meritocracy' there was at least a 'new awareness of the need for professionalism'.[853]

Patronage did not decline only due to its own weaknesses. Better alternatives also became available: arrangements were proposed by the Ministry of Labour Appointments Department; an ex-officers employment bureau was created by some merchant houses; the FBI wanted to set up a clearing house for University graduates interested in entering industry.[854] Most importantly, the risk-reducing features of patronage were partially replicated. Increasing sorting through qualifications created a source of relatively standardised and cheap information on candidate ability. By the 1920s, young people were warned that even if a parent would 'naturally use whatever influence he possesses to place his son with a reputable and prosperous concern', this could not cancel out failure at exams.[855] The creation of large firms provided a certain infrastructure of control that could be used to restrict abusive behaviour: within the firm, employees were implicitly offered security, salary increases and career opportunities in return for their long-term moral commitment to serve organisational interests.[856] Behaviour was monitored by the management hierarchy itself supported by better management accounting, budgeting, auditing, staff appraisal, and document signing procedures.[857] Senior mangers were controlled by credit-rating agencies, bankers, capital markets, commercial newspapers, non-executive directors, civil courts, public inspections, and separation of ownership and decision-making.[858]

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[853] Vander Weyer, *Falling Eagle: The Decline of Barclays Bank* (2000), 40.
[854] Weston, *From Appointments to Careers* (1994), 62-7.
[855] Morgan, *Careers for Boys and Girls* (1926), ix-x.
[856] McGovern et al, 'The Managerial Career after Downsizing' (1998), 458.
[857] Beniger, *The Control Revolution* (1986), 240.
[858] Kaelble, 'Changes in the Recruitment of the Business Elite' (1980), 410; Dore, *Trust and the Workings of Market Capitalism* (1998), 4.

6.2 Company Organisation and Practices: Becoming Proficient Recruiters

Efficient recruitment required companies to solve certain matters of policy: defining responsibility for the activity within the firm; identifying methods for predicting recruitment needs; deciding how to reach suitable potential candidates.

Deciding who should handle the recruitment of educated young people was the first issue to be addressed in developing recruitment capability. In the 1930s, even large organisations like Lucas could be unsure who should handle a Cambridge student – she was passed from the Manager of the Branch Works to the Staff Manager at the General Works, then onto the chief labour manager who sent her to the labour manager of a branch works until finally the latter's secretary made a decision.[859] Uncertainty was created by senior managers, whose role in nominating candidates was declining, but who retained a role in selecting potential managers.[860] John Ryan of Metal Box could claim in 1938 that he had personally interviewed 'many a score of graduates'.[861] In the immediate post-war period it was apparently the rule rather than the exception that firms would send senior managers, such as the ICI main board research director, to universities in search of candidates.[862] Explaining why, the managing director of Bovis explained that it was 'one of the most important ways in which management can influence company progress'.[863] John Moores of Littlewoods continued his personal

[859] CUCS, *History of the Cambridge University Careers Service* (2002), 33.
[860] Supple, *The Royal Exchange Assurance* (1970), 390; Hughes, *Careers for Our Sons* (1928), 310.
[861] Foot, *Three Lives* (1937), 11; CUCS, APTB 14/13, piece 77.
[862] Dunsmore, *Remember Your First Job?* (1992), 7.
[863] Dodsworth, 'How Bovis Chooses Its Men' (1971).

involvement in interviewing well into his 70s.[864] When Albright & Wilson thought they were losing out on the best candidates from Oxford in 1961 they mobilised the chairman and three senior colleagues for interviews.[865]

Unfortunately, such involvement was scarcely more suitable for mass recruitment than patronage as such. The 'peculiarly personal, flexible and informal character' of recruitment at Marks & Spencer in the 1930s, or moments of inspiration such as talent-spotting the shelf-stacking Derek Rayner to a managerial position at head office (he became chairman in 1984), were almost impossible to systematise.[866] Likewise, Jack Cohen showering invitations on the Old Malvernians' cricket team to apply for jobs in 1959 may have produced one future managing director for Tesco but was unlikely to capture all likely sources of talent.[867] Consequently, systematising recruitment involved focusing executives to a more indirect and supervisory responsibility.[868]

The growing size of organisations and their increasingly complex processes offered more challenges than could be met by existing line managers. Consequently, an increasing proportion of recruitment (and other personnel) work was passed to dedicated staff. After 1918, alongside new groupings of specialist managers such as the Cost and Works Accountants, and Works Managers, appeared the Industrial Welfare Society which evolved into the Institute of Personnel Management (IPM).[869] Together with the National Institute for Industrial Psychology, the IPM grew steadily during the inter-war

[864] Clegg, *The Man Who Made Littlewoods* (1993), 158.
[865] OUCS/3 (Albright & Wilson), letter AWS to FBH 17/11/1961.
[866] Rees, *St. Michael* (1969), 91; Bevan, *The Rise and Fall of Marks and Spencer* (2001), 65.
[867] MacLaurin, *Tiger by the Tail* (2000), 1-3.
[868] Copeman, *The Chief Executive and Business Growth* (1971), 175; Graham & Craigie, *Insights in Graduate Recruitment* (1996), 4; Rynes & Boudreau, 'College Recruiting' (1986), 739; Nemecek, 'Employers' Decision-Making Structures' (1987), 39.
[869] Hannah, *The Rise of the Corporate Economy* (1983), 78.

period, and penetrated non-industrial settings as well.[870] It was in the 1940s, however, that personnel activity boomed and the number of personnel managers with that title grew from about 2,000 in 1939 to over 5,000 by 1945.[871] From a relatively small, largely female, membership in 1939, the IPM's membership flourished and by 1950 had a majority of male members.[872]

Early graduate recruiters tended to share certain characteristics – middle-aged men with extensive life experience who represented their companies for long periods and, consequently, were well known both within their organisations but also by the careers services and academics with whom they dealt. One was Martin Higham of Rowntree who reckoned that 'the graduate recruitment job is the last refuge of the gentleman working in industry'.[873] One long-serving careers adviser thought such people 'a band of colourful characters who arrived bearing floral tributes for the secretaries, lunch invitations for me, golf clubs for the weekends, anecdotes for every occasion and selection procedures based on a mixture of hunches, prejudice and…common sense'. The same person thought, however, that they had been succeeded by 'a bland army of grey suited clones'.[874] By 1990, the head of the Cambridge University Careers Service thought that apart from Unilever and Shell 'I wouldn't even know who's responsible at a lot of companies, some of them household names'.[875]

What happened was that whereas the seller's market until 1970 encouraged line manager involvement as interviewers, thereafter this was often delegated to more junior staff with no line experience, including high-fliers passing through the function to better

[870] Niven, *Personnel Management 1913-63* (1978), 56-88.
[871] Gospel, *Markets, Firms and the Management of Labour* (1992), 222.
[872] Niven, *Personnel Management 1913-63* (1978), 125.
[873] Warrell, *Employers and Graduate Recruitment* (1993), iii.
[874] *Janus* (June 1994), 4.
[875] Paxman, *Friends in High Places* (1991), 192.

things.[876] Those who had grown only within personnel were suspected of too narrow a perspective.[877] An unusually successful example of the temporary high-flier model was Shell, where one head of graduate recruitment in the early 1960s later became joint managing director.[878] In the 1970s, Barclays had a similar policy whereby graduate recruiters would be drawn from the line and would spend a maximum of three years in the role.[879] This might be enriching for those involved, but undermined continuity in organisations that were lax about handovers – one lady received just half a day of briefing to cover the whole lore of recruiting and made an inevitable mess of her first year.[880] By the 1990s, fewer than half of the recruitment personnel in one survey had worked in their organisations for ten years, and organisations often failed to retain a memory through records.[881]

This drop in the perceived status of personnel practitioners was important since it was both a cause and effect of recruiters' problems in handling line and other staff managers. Cherns argued hopefully in 1972 that personnel managers might gain influence at senior level.[882] But the reality was that many brighter managers have steered clear of personnel because of the lack of status, creating a vicious cycle as the area then suffers from lack of talent.[883] Personnel managers have suffered the disdain of other managers in both the UK and USA, and the elimination of whole departments.[884] The management thinker Lyndall Urwick dismissed the whole area as not 'bankrupt but

[876] BJH/1, 'Retrospect and Prospect' (1984), 7; Brian Putt (Interview).
[877] Hall, 'Feel the Width' (2000).
[878] Hugh Arbuthnot (Interview).
[879] APTB 10/13.
[880] Dave Griffiths (Interview).
[881] Wolf & Jenkins, *The Growth of Psychometric Testing for Selection* (2002), 20.
[882] Watson, *The Personnel Managers* (1977), 169.
[883] Ibid, 173-4.
[884] Herman, 'The Personnel Field' (1963), 111; Harness, 'From Markets to Manpower' (1998), 14.

insolvent'.[885] Studies found that boards did not regard the human resources function as equivalent to other functions and tended to deny it the budgets to build robust infrastructure.[886]

Line managers have often argued for responsibility to be held at the level of the unit where the entrant would work, with entry determined by needs at any given time. 'Anything less than this is unfair to the manager, the company and the potential employee'.[887] Personnel people were suspected of an obsession with administrative procedure and 'best practice', and 'too ready a tendency to snatch up bits and pieces of technique without first considering basic principles'.[888]

Personnel managers argued for centralisation of recruitment to prevent unskilled and myopic units damaging the firm's reputation in universities.[889] Indeed companies with multiple units recruiting in parallel could create confusion and put off top candidates, and make pre-selection haphazard.[890] Even more critically, decentralised recruiting placed targets – typically set a year in advance of actual entry – at the mercy of short term economic events and budgets.[891] IBM UK's principle of 'profit this year' led to significant cuts at short notice, while in Esso in the early 1990s absolute manning targets made line managers leery of hiring graduates at all.[892] The classic example of divisionalisation leading to recruitment fluctuations and antagonism with universities was provided by ICI. It had experienced volatile recruitment in the 1960s, but by 1968 –

[885] Tiratsoo, 'British Management 1945-64' (1997), 84.
[886] Walsh, 'HR "Slow to Gain Input at Board Level"' (1999); Brewster, 'Who is Listening to HR?' (1999); Satow, 'The Supervisory Grades' (1948), 10.
[887] Whitaker, *Selection Interviewing* (1973), 2.
[888] Green, 'Offensive Thinking' (1999); MRG/5 'Group Selection' (1949).
[889] e.g. RSS/1: 'Is the Interview a Lost Cause?' (1979).
[890] *Janus* (March 1995), 2; OUCS/3 (Bass), briefing note RJD 21/07/1988; OUCS/3 (Unipart), letter 1999; David Warrell (Interview).
[891] Prentice, *The Employment of Graduates* (1976), 45.
[892] Brian Hyde (Interview); Esso: Graduate Recruitment Reports (1990, 1993).

aware that previous fluctuations had left nasty age gaps in the company as a whole – it was 'determined that never again will we allow recruitment in any one year to fall below a certain minimum level', assumed to be at least 300 graduates.[893] Efficiency was improved, as a coordination system called CURV was created to synthesise the activities of the powerful divisions.[894] Yet, in 1971, ICI recruited only thirty-five people with chemistry graduates in single figures.[895] A pilot scheme to recruit chemists centrally faded away, and the previously centralised recruitment of arts graduates via 'the Panel' was moved to the divisions so that all entries became vulnerable to volatility.[896] This erratic pattern was blamed by some universities for the subsequent collapse of applications to chemistry and chemical engineering courses, something from which ICI suffered.[897] ICI repeated this pattern in every successive recession despite the damage it caused to itself.[898] Recruiters and careers advisers often sympathised more with each other on such matters than with their nominal bosses, something that could make recruiters untypical and even lonely corporate men.[899]

In the period of the post-1945 boom until 1970, when graduates were typically in short supply and were often seen as potential executives, graduate recruitment and management development were combined as a staff function in many leading firms. When Beechams brought in a new manager from Hedley's in the late 1950s for executive development he also took over university liaison.[900] Relative latecomers to systematic graduate recruitment, like the accountants and banks marked their arrival in

[893] UMCAS AR (1964), 4; BJH/2: 'The relevance of higher education' (1975); APTB 10/8 (ICI).
[894] Vera Bowles (Interview).
[895] BJH/2: 'The relevance of higher education' (1975).
[896] Interviews with Vera Bowles, Keith Bell, John Simpson; APTB 10/8, 9/2/67 JNC; APTB 10/6 (2/1/1953).
[897] Bowden, 'Is Manpower Planning Necessary?' (1982), 130.
[898] Interviews with John Simpson, Keith Bell, Peter Sterwin.
[899] Brian Hyde (Interview).
[900] APTB 10/6 (Beechams, undated, but late 1950s).

the 1970s and 80s by centralising national recruitment and, in the case of the banks, treating management trainees as a corporate resource to be subsequently allocated to units.[901] In the 1980s and 90s, however, some traditional recruiters began experimenting with decentralising recruitment, with marked negative results according to some observers, with BP ending up with 'disorganisation, duplication and vacuum', the Civil Service fragmenting into chaos, and Shell and ICI slipping in the same direction.[902] A Glaxo director with experience in different industries argued that 'the personnel role and the company culture is largely determined by the nature of the product and the market', with low volume, high margin companies like NCR having centralised functions, while high volume, low margin Heinz was mostly decentralised.[903]

Almost all firms left units to handle the recruitment of non-graduate and direct entry graduates (i.e. those going to specific short-term) vacancies.[904] From the late 1960s, while ICI's central staff coordinated the production of a booklet for 16 & 18 year olds with vacancies across the company, candidates applied directly to individual divisions.[905] By contrast, high-fliers tended to be recruited and trained centrally although, in the case of the Unilever companies, training schemes might appear at multiple levels. Unilever's transport company SPD, for example, created its own scheme for management trainees, drawing on similar sources as UCMDS and also benefited from a Unilever-wide Transport Training Scheme set up in 1951.[906] Birds Eye, Levers, Silcocks and UAC also appear to have had their own schemes which imitated elements

[901] Keith Bell (Interview); OUCS/3 (NatWest), file note DJC 24/09/1987; Higgs, *Management Development Strategy* (1988), 133; Andy Gibb (Interview).
[902] Esso: Graduate Recruitment Report (1992).
[903] Paul Williams in *Personnel Management* (August 1991), 22.
[904] e.g. ICI, John Simpson (Interview).
[905] Keith Bell (Interview).
[906] Reader, *Hard Roads and Highways* (1969), 106-109.

of UCMDS.[907] Elsewhere, such as at Glaxo and Burtons, central staff could either persuade reluctant departments to opt-in to centralised initiatives or allow them to opt out – depending on the locus of decision.[908]

One of the key tasks companies needed to perform both for their own account, but also in dealing with universities, was to forecast numbers of graduates required. For most companies, satisfying their needs involved entering a market with an annual cycle requiring announcements of needs up to eighteen months in advance. Publishers would set editorial deadlines in late spring for recruitment directories to arrive in universities in the winter term so that graduates could attend company presentations, make applications for initial interviews in the spring term, hopefully being called for final interviews in the Easter holiday, then entering the final term of exams with a job for September entry already arranged. Even beyond these administrative timelines, firms needed to consider how their stocks of managers were evolving in relation to likely needs, since training in whatever form takes time to produce useful results.

Like graduate recruitment itself, manpower planning by companies grew up largely after 1945, even if a few companies like Cadburys had experimented with ten-year reviews in the 1930s.[909] The zenith of such planning was probably reached in the 1970s when all Unilever personnel departments needed a rolling five year plan of vacancies, and when a survey found 83% of 308 responding companies doing demand forecasting, especially of managerial staff numbers.[910] But the volatile 1970s were also the period when the norms suggested by an NEDC study in 1965 (about 1/15th of management

[907] Unilever: Graduate Recruitment Report (1989), 19.
[908] Richard Stokes (Interview).
[909] *The Journal of Careers*, Vol. XVI, No.180 (November 1937), 641.
[910] Martin Duffell (Interview); Timperley & Sisson, 'From Manpower Planning to Human Resource Planning?' (1989), 116.

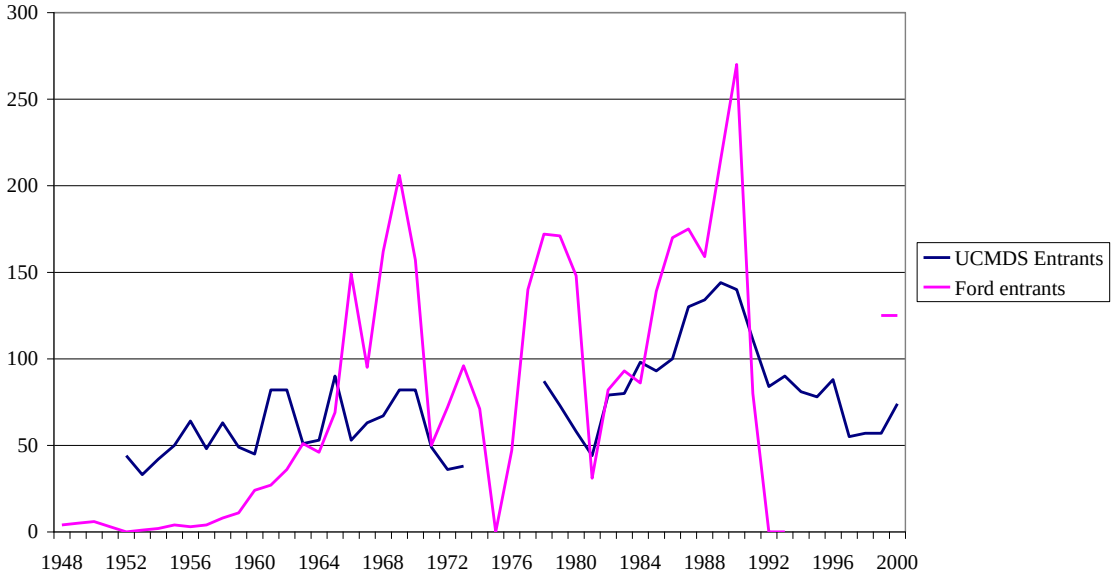
stocks were then renewed annually by recruitment of management trainees) seemed too mechanistic given wrenching structural change and downsizing from the 1980s onwards.[911] Company capabilities at forecasting had shown themselves to be 'so unreliable as to be totally misleading'[912] By 1986, corporate attitudes to planning in general tended to be more nuanced at the level of firms and variegated across the economy, with some of the most ascendant organisations like Hanson, and BTR eschewing it completely.[913]

Individual industries were affected differentially by the economic cycle and therefore displayed varying recruitment volatility. Unilever's stable consumer goods markets provided more predictable conditions than held true with capital intensive companies like Ford and ICI, as Figure 6.1 illustrates. Uncertain times might cause inconvenience to Unilever recruiters, i.e. within 1993 reported vacancies fell from 87 to 80, and then rose to 95.[914] But in Ford changes could be much more dramatic – between 1973 and 1974 car sales in the UK dropped from 1.6 million in 1973 to 1.1 million and the company needed to borrow to pay salaries and all recruitment was cut until 1976 when recovery forced an emergency hiring of fifty graduates.[915] For the 1981 recruiting season initial estimates of graduate needs were 166; by autumn universities were told of 100 places; by January it needed only 77 (compared with 127 in 1980).[916] This could

[911] NEDC, *Management Recruitment and Development* (1965), table 2.1; Timperley & Sisson, 'From Manpower Planning to Human Resource Planning?' (1989), 103; Higgs, *Management Development Strategy* (1988), 74.
[912] Department of Employment, *Employment Prospects for the Highly Qualified* (1974), 21; Blaug et al, *Educated Manpower in Industry* (1967), 82.
[913] Timperley & Sisson, 'From Manpower Planning to Human Resource Planning?' (1989), 118-9.
[914] *Final report of UCMDS*, Appendix I, 12-13.
[915] Ford Recruitment Manual (1977).
[916] Warrell Papers 2 2-4.

work the other way around too – in 1988 BP recruited 333 graduates having advertised just 270 vacancies.[917]

Figure 6.1 Graduate entrants to Ford UK and the Unilever Companies Management Development Scheme



Source: Ford data: 1948: Ford 2 ('Ford and the Graduate – Philosophy' 1977); 1978-1991 Graduate Recruitment Annual Reports; 1999& 2000 OUCS Company File. Unilever data: Unilever 4 (List of UCMDS Entrants 1952-73); 1979 onwards Unilever Graduate Recruitment Annual Reports.

This volatility had effects on companies. In boom times, such as the late 1960s, recruitment targets could be hard to meet at all – one survey found that of 221 companies just 35% had filled at least 50% of declared vacancies, while the average was that 1.8 vacancies were filled for each 7.6 declared. BOC hoped to recruit 31 but filled just one slot, which encouraged them to seek outside advice from the NIIP on improving their performance.[918] Cutting recruitment in time of recession could also lead to internal shortages. Procter & Gamble in the mid-1970s, Unilever in 1981-2 and Albright & Wilson in the mid-1980s, all cut entrants but later regretted the holes in management

[917] OUCS/3 (BP), memo from GAD October 1988.
[918] CSU/1: 'Employers Comments'; NIIP/14/23.

ranks once activity picked up, especially since they did not typically take entrants after the age of 22.[919]

Graduates could not be insulated entirely from recession. However, careers services and students did note how reliable recruiters were in keeping to their announcements, and those seen as erratic in their behaviour could receive a frosty welcome subsequently. Martin Higham attributed 'greater anti-industry feeling among students than has been apparent for a long time' to the recruitment stop and lay-offs of 1970-2.[920] Individual companies could damage their reputations by appearing changeable: Having launched a new management training scheme in 1979, Trafalgar House suspended it in 1983, then restarted in 1985, before changing it again in 1987.[921] Likewise, a major retailer abandoned its scheme in 1991 and slowed promotion of the final cohort who, however, found themselves rapidly caught up by new entrants when the scheme returned in 1995.[922]

Such mistakes were forgiven more easily than more obvious unreasonableness. This could take the form of inanity – the managing director of a major recruiter explained their sudden volte face thus: 'we had no intention of cutting back, but then we heard that IBM and ICI had cut right back so we thought they must know something so we followed suit'.[923] An apocryphal story has it that a Ford recruiter heard about reductions in targets at lunchtime and ceased all interviews of the remaining candidates.[924] If true, they apparently learned their lesson since Ford, having lost friends in careers services and knocked holes in their own management succession in 1974, subsequently

[919] Michael Rae (Interview); OUCS/3 (Albright & Wilson), file note GAD 05/07/1989.
[920] SCOEG Newsletter January 1974 1.
[921] OUCS/3 (Trafalgar House), letter PC to RJD 16/8/1985.
[922] Holbeche, *High Flyers and Succession Planning* (1998), 5.
[923] Esso: Graduate Recruitment Report (1991).
[924] Peter Sterwin (Interview).

maintained at least some recruitment throughout the ups and downs of 1978-1991.[925] An informal survey of complaints in 1976 about interviewing on campus found that 80% of incidents referred to bad manners and incompetence, with 15% revealing 'a degree of lunacy'.[926] Successful recruiters learned to warn careers services when changes in recruiting plans loomed, and research has confirmed that building such long term relationships pays off.[927]

6.3 Institutionalised Support for Candidates: Becoming Comprehensive Intermediaries

As they grew, educational institutions needed to find better ways for their graduates to reach satisfactory employment outcomes that did not depend on academics handling the patronage function. In the early twentieth century, at both secondary and tertiary levels, specialised careers advisory services (CASs), often referred to as Appointments Boards until the 1960s, emerged to advise young people on their options and to facilitate contact with employers, especially those from the business world. At universities, needs varied by the vocationalism of degrees, so while graduates in, say, architecture and medicine typically made little use of careers advice, help was most important for those in non-vocational degrees such as English and History.[928] When the Manchester Board was created in 1935 it noted that whereas technical students could rely on existing employer-

[925] David Warrell (Interview).
[926] NIIP/14/145, TJH to RBB 19/07/1976.
[927] OUCS/3 (BP), letter PM to TB 08/02/1999; BJH/19: 'The Careers Service as a No-GO Area' (1981), 8; Smith CL 53, 69.
[928] Watts, 'Careers Work in Higher Education' (1996), 132-3.

faculty links: 'no organisation existed for students who want commercial posts of a more general nature'.[929]

The key measure of CAS progress was the extent to which young people consulted it when considering their work options. Although Oxford created the world's first CAS in 1892, it was Cambridge where, by 1910, it 'had become the recognised thing for men to consult the Appointments Board', and companies like Shell turned to it eagerly for candidates.[930] By 1932, Oxford, which had increased its attractiveness to students, registered no fewer than 47% of leavers overall and about 40% of those entering business did so with its help.[931] This was, in real terms, about the same as Cambridge in 1938 where some 36.5% of all those who graduated registered and about half of all those going into business (340) in 1938 went through them.[932] Apparent success at the old universities inspired imitators: Glasgow followed suit in 1903, followed by Liverpool in 1907, London from 1909 and, by 1939, a total of 21 Boards were represented at the first conference of CAS officers. Few of the newer careers services attracted such high proportions of their students, partly due to a greater proportion of vocational courses, although Manchester's service, registered more than 60% of those leaving in 1936/7 despite its recent foundation.[933] The proportion of management trainees who used CASs was higher due to the importance attached to personal references, and because such schemes were typically handled by specialised personnel officers who gravitated more naturally towards intermediaries. After 1945 in Oxford, almost two-thirds of possible male undergraduates were using the Oxford CAS (and even more women), and this

[929] UMCAS AR (1935).
[930] Foot, *Three Lives* (1937), 9; Sampson, *Company Man* (1995), 76.
[931] Weston, *From Appointments to Careers* (1994), 94.
[932] CUCS, Seventh quinquennial report (1937), 2; Report for 1938; CUCS, Report for 1938.
[933] PEP, *Graduate Employment* (1956), 28.

steadily increased to 85% of the graduating cohort in 1995.[934] Manchester also saw rapid growth in activity post-war and in the period 1960-1984 about 60,000 of all 110,000 graduating students used the service.[935] Nationally, about two-thirds of students used CASs in the 1960s and the proportion amongst those going straight into employment was higher still. The proportion in the 1980s and 1990s was even higher and users were mostly satisfied with their contact.[936]

The roles which CASs have played for students have changed over time, but advice and intermediation were always present together. This was premised on the idea that while counselling without placement becomes an indulgence, placement without counselling 'is an arid mechanism'[937] Until the 1960s, though, the accent was firmly on using advice to support the central purpose of placing young people into jobs, and many methods echoed those of patronage. When Unilever became serious graduate recruiters between the wars they did not accept unsolicited applications and relied on recommendations from a few University Appointments Boards.[938] The CASs in turn requested information from professors and used them as the basis for letters of support written to companies on behalf of their students – providing a personal view before selectors sorted candidates on more general criteria, and this system continued in Oxford until the late 1970s.[939] Barclays still requested recommendations until the late 1980s.[940] When the London service was launched in 1909, they were advised by their colleague at Cambridge to avoid circular letters and to rely instead on dealing with recruiters 'in the

[934] FBI/200/F/4/65/1 (1949), 29; OUCS AR(1948).
[935] UMCAS ARs for relevant years; BJH/1: 'Retrospect and Prospect' (1984).
[936] Watts, 'Careers Work in Higher Education' (1996), 132; Watts, *Strategic Directions for Career Services* (1997), 17.
[937] Scott, 'Careers Advisory Provision in UK Higher Education' (1987), 21.
[938] *Journal of Careers* September 1934, 486; Bridger & Isdell-Carpenter, 'Selection of Management Trainees' (1947), 177-181.
[939] Escritt papers 2 'Description of OUCS', March 1970; Michael Day (Interview).
[940] Roger Ellis (Interview).

personal way'.[941] London did not have adequate contacts initially, but by the 1940s had reached a point where its head, Walters, could say that 'I knew everybody', and tended to do things 'on a very personal basis'.[942]

It would be wrong to conclude from these details, though, that CASs after 1945 still operated with the same exclusiveness and lack of efficiency of older approaches. Despite some experiments in the 1920s alumni networks never played a major role in finding work in Oxford or elsewhere unlike, for example, the American or Japanese cases.[943] Employers, although they appreciated an opinion from CASs did not typically rely on their views.[944] Instead, after 1945, a new generation of CAS 'Secretaries' set about modernising their organisations. The most forceful example was Ewart Escritt, who took over Oxford in 1947 and brought his business experience to bear in creating a state-of-the-art student and company filing system which allowed detailed information to be accessed and matched.[945] He initiated vacancy notices based on independent research and greatly expanded vocational guidance efforts. At conferences and informal meetings he urged businessmen to take graduates, and sent out annual reports to about 1,000 companies. In consequence, appointments of arts graduates into industry and commerce quintupled between 1946 and 1955, and were at least four times higher than during the best year of the 1930s, much larger than growth in student numbers.[946] His system remained largely intact in Oxford through to the late 1970s, and was spread by admirers to other CASs.[947] Although a friend of business he did not flinch from providing candid,

[941] Weston, *And Now at Gordon Square* (1984), 10, 34.
[942] Ibid, 39.
[943] Weston, *From Appointments to Careers* (1994), 73; Robert Dunsmore (Interview).
[944] UGC, *University Appointments Boards* (1964), 23.
[945] Escritt papers 1 'Informal discussion at OUCS 22/05/1970'.
[946] Hunt & Escritt, 'Oxford University Appointments Committee 1892-1950' (1950), Annex .
[947] Interviews with Tom Snow; Bill Kirkman; Robert Dunsmore.

sometimes unflattering, views of employers to students or of warning his colleagues against becoming "pickers" on behalf of firms.[948]

However well CASs might bring students and employers together the success of those encounters depended on how interested the student was in that line of work. Frequent mismatches frustrated recruiters, something they blamed on inadequate vocational guidance 'on which subject there seems to be a complete lack at the present time' – so that interviewees had inadequate knowledge of their suitability for industry.[949] Metal Box wondered aloud whether it was not possible for students to decide earlier what business to enter and then endeavour to learn about it.[950] Publications like the London CAS's eighty page guide in 1924, *Appointments and Careers for Graduates and Students*, was partly helpful in pouring cold water onto unrealistic views of students about working in the media, writing, films or banks.[951] Yet 1960s book on arts graduates' careers could still note that CASs were not organised for vocational guidance.[952]

Vocational guidance could offer various benefits to candidates, recruiters and the economy, in the form of better decisions about general labour market participation, and choice of appropriate employers.[953] Research in the 1970s also suggested that young people who followed careers officers' advice stayed longer in chosen jobs than those who did not.[954] In consequence, CASs began to rearrange their priorities and take on the

[948] Weston, *From Appointments to Careers* (1994), 116; Tom Snow (Interview).
[949] APTB 14/13, piece 23 (Calico Printers Association).
[950] APTB 14/13, piece 77.
[951] Weston, *And Now at Gordon Square* (1984), 22, 33.
[952] Collins et al, *The Arts Graduate in Industry* (1962), 74.
[953] Killeen, 'The Learning and Economic Outcomes of Guidance' (1996), 80-3.
[954] Cherry (1974), cited in Peck, *Careers Services* (2004).

name of 'careers services'.[955] Delivering effective guidance, though, was complex, especially when leading thinkers proposed that 'comprehensive matching' should involve not just aptitudes and abilities but also motivation and feelings, while another conceptualised the process of occupational choice as being concerned with the 'implementation of a self-concept'[956] Over time, the confidence of careers advisers in their ability to provide specific advice diminished, and facilitation of decision-making by the students themselves was emphasised.[957]

Until the 1980s the majority of senior advisers were not dissimilar to their recruiter counterparts – men of wide experience in business and elsewhere who served for extensive periods of time. Walters in London, for example, had worked with STC, the BBC and English Electric, and served in the Artillery and the Ministry of Labour.[958] In 1983, a survey of CASs found fully 69% of advisers had previously worked in the private sector, although those in the then polytechnics were more likely to have worked in local educational authorities (LEAs) guidance. The similarities between counterparts may have facilitated the movement of people between the sectors – Walters himself became chief personnel officer of WH Smith in 1961, and two successive heads of the Manchester service left to Unilever and ES&A Robinson.[959] But, by 1993, 51% of all HE advisers were ex-LEA.[960] The latter brought more extensive specialist knowledge but their lack of external work experience was noted.[961] However, turnover amongst careers staff has remained at lower levels than became the case amongst recruiters whilst

[955] Watts, *Strategic Directions for Career Services* (1997), 16.
[956] Law, 'Careers Work in Schools' (1996), 96; Greenaway & Williams, *Change in Graduate Employment* (1973), 59.
[957] Snow, 'Conclusions from Working at the Careers Service' (1996), 4.
[958] Weston, *And Now at Gordon Square* (1984), 39.
[959] Ibid, 46.
[960] Watts, 'Careers Work in Higher Education' (1996), 138.
[961] Watts, *Strategic Directions for Career Services* (1997), 17-18.

changes in the HE system has not diminished their role in the same way as decentralisation has affected recruiters.

The evolution of careers services for educated young people in secondary schools was an institutionally more complex matter but followed a not dissimilar timeline as for universities. Pre-1914 legislation had created state employees responsible for youths within employment exchanges and in 1918 they created an association which united them despite the messy patchwork of LEAs which had, or had not, taken up their powers to advise young people.[962] In parallel, a body financed by the Ministry of Labour, but controlled by the Headmasters Association, provided a placement function for school-leavers within a fifty mile radius of London, primarily for grammar and public schools. By the height of the late 1920s boom they were placing more than 1,000 boys each year into jobs, and in the 1930s several regional committees were launched to try and replicate this success.[963] This specialised service was dismantled after 1948 when the national Youth Employment Service was created, and provision for the brightest students initially suffered as the task of providing minimum coverage for pupils of all abilities was prioritised. Over time, sections specialising in young people over the official school-leaving age re-formed and provided an important advice and placement function.[964]

In the independent schools sector, by the late 1930s, more than sixty schools had appointed careers teachers and they looked for ways to co-operate leading to the formation of the Public Schools Careers Association (PSCA).[965] Immediately after 1945, this careers activity in public schools – now grouped under the Public Schools

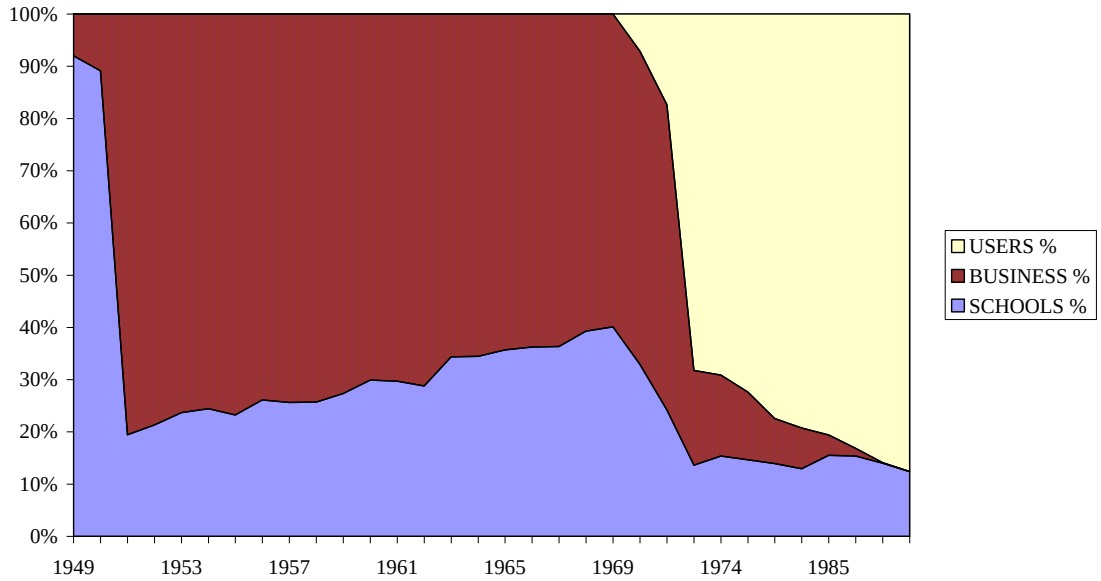
[962] Peck, *Careers Services* (2004).
[963] PRO LAB 19/54 HMEC; PSCA AR (1933), 1.
[964] Interviews with Catherine Avent, Florence Chamberlain.
[965] PSCA AR (1935).

Appointments Bureau (PSAB) was still a threadbare affair and unable to meet increased needs. It is in this context that businessmen heeded Sir George Schuster's call to overhaul PSAB. He persuaded the Headmasters' Conference to form a special committee in early 1947 to 'investigate the question of relations of the schools with Industry'.[966] He demanded the support of the Federation of British Industries' Education Committee on the basis that 'up to now the best young talent had not tended to enter industry' and that PSAB could better the situation for pupils, companies and the country.[967] He planned to set a more ambitious agenda for the Bureau both in terms of scale, but also in regard to its scope.[968] Fundraising secured 1951 income of more than £9,700 and of 250 companies approached by Schuster and his colleagues, 141 had either given or promised support in the form of seven year covenants or yearly donations.[969] Business people joined headmasters on the reconstituted board. The money and contacts were put to work quickly. Regional offices and directors appeared from 1951; large scale conferences for careers masters; extensive visits to companies by staff and pupils; a placement service for leavers; compendia of training schemes.[970] As Figure 6.2 shows, after 1950 business provided the lion's share of PSAB's budget until, by the late 1960s, and with the brightest eighteen year olds almost all attending university, corporate funding dried up. New arrangements to tap parents were made and this provided the subsequent basis for PSAB's successor to provide vocational guidance based on

[966] PSAB AR (1946/7).
[967] ISC1/15 draft minutes of PSAB and FBI education committee meeting 26/06/1947.
[968] ISC1/19/2 (1949/50).
[969] ISC1/15 summary of position by Joan Hills, 09/02/1951.
[970] ISC1/19/5 (4th edn, 1958).

psychological testing, but stripped of any placement function, to a wider range of schools.[971]

Figure 6.2 Sources of income for Public Schools Appointments Board



Source: ISC1/19/2 (ARs for respective years).

[971] ISC1/19/2 (1970/1).

6.4 Creating Market Infrastructure Together

University CASs began formal coordination in 1939 with their first national meeting, something that was revived in 1946 and became institutionalised into a biennial system from 1951.[972] Pressures on CASs as a result of the expansion of HE in the 1960s led the University Grants Committee to ask Lord Heyworth to study the CASs. He concluded that informal cooperation should be backed up not only by increased funding but also a permanent secretariat. Although it took until 1972 for the Central Services Unit (CSU) to appear the sense of common purpose amongst practitioners encouraged the creation of the Standing Conference of University Advisory Services (SCUAS) in 1968 which evolved into AGCAS in 1977.[973] SCUAS merged with its equivalent for polytechnics in 1971. Amongst many other activities, SCUAS created the first national list of current vacancies for graduates (the so-called Clearing House lists) that once established, and with encouragement from recruiters, earned listing fees from companies.[974] Starting from this revenue base CSU grew from two staff and a turnover of £20,000 in 1972 to a hundred staff and £6.5 million in 1999.[975]

The status of CASs has also been bolstered by careful positioning to ensure that they did not become beholden directly to the state or to the UGC, despite attempts to that end. Furthermore, whilst much of the original *raison d'etre* for careers services was provided by the need to collaborate with business financing has not derived from that source. The idea of voluntary corporate contributions for services was rejected as

[972] UMCAS AR (1947); AGCAS/27 (Letter from Oswald Dick to AGCAS Standing Committee 1/6/1977).
[973] AGCAS/3 (Letter Neil Scott to EN Lloyd in June 1977).
[974] CSU/1: 'Employers Comments'; Brian Putt (Interview).
[975] CSU/7: 'CSU & AGCAS: The Original Bridge'.

potentially compromising in 1959, and even the financial crisis of 1981 did not lead to a change in this respect, although significant funds were raised for jointly agreed development projects and firms were asked to pay for consumables.[976]

The development of recruiter cooperation was slower and less obvious, primarily because the number of graduate recruiters was always much larger than the number of CASs. Educationalists involved with the employment of young people regretted this lack of a 'central body in commerce comparable to the professional institution and capable of considering the large questions of training, recruitment and status'.[977] In fact, the Federation of British Industry and some Management Research Groups did spasmodically discuss the issue even pre-1939. For some years after 1947 the FBI's Education Committee was active in surveying members, considering new selection methods, organising joint recruiter-educator events and distributing information. From the 1950s this activity diminished although salary surveys continued to be carried out.

Following the creation of SCUAS, CASs keenly felt the lack of an appropriate counterpart, especially when the CBI lent its support to the idea of a national (and state-controlled) careers guidance service, and other ideas that were seen as 'positively dangerous'.[978] Careers advisers organised a meeting for 200 companies in Durham in 1968 and provoked the creation of a grouping of recruiters.[979] When the Standing Conference of Employers of Graduates (SCOEG, AGR from 1987) was formed in 1969, 222 signed up promptly and this grew steadily to 385 by 1980. Membership surged by

[976] Scott, 'Careers Advisory Provision in UK Higher Education' (1987), 7; Warrell, *Employers and Graduate Recruitment* (1993), 21, 61-62.
[977] PSCA Papers 2.
[978] OUCS AR (1969), 18; UMCAS AR (1969), 4.
[979] AGCAS/13 (SCUAS/Employers Conference Report 1968), 3.

the mid-1980s to about 500, and now stands at 600.[980] The new entity directed its energies to educating new recruiters, creating salary surveys and synthesising members' views on application forms, turnover, psychological testing, and CASs. Finding and expressing coherent views on every subject was intrinsically difficult given the large and diverse membership but, by the mid-1970s, SCOEG had become a viable counterpart for the careers services.[981] In 1991 coordination and activities were enhanced by the creation of a permanent secretariat.

These institutional actions post-date the longer period of less formalised collaboration that resulted in market arrangements and customs. Businesses and advisers both found multiple means to help the others achieve their objectives. For example, most CASs had had business people on their boards almost since their formation and, by the 1960s, Heyworth found no fewer than 168 business people serving on twenty CAS boards.[982] Individual CAS heads were invited to management organisation meetings and to visit companies to inform themselves.[983] This was important since, for example, Courtaulds found that whereas two-thirds of those who did ultimately end up entering the firm had known 'hardly anything' about it before, fully 80% learned of the firm through their careers service.[984]

Businesses were beneficiaries of advice from careers advisers, extending from recommendations of appropriate salaries, how to plan recruitment programmes, to

[980] AGR ARs.
[981] BJH/1: 'Retrospect and Prospect' (1984), 7; Warrell, *Employers and Graduate Recruitment* (1993), iii.
[982] FBI/200/F/3/T1/192 (1947-1953), Meeting Minutes 16/05/1949; UGC, *University Appointments Boards* (1964), 6.
[983] UMCAS AR (1960).
[984] BMRB, 'Report Prepared for Courtaulds Ltd' (1956), 1, 3.

formulating descriptions of the kind of candidates sought.[985] Careers people also sought to actively 'influence and change the attitudes of employers' in regard to graduate employment.[986] Part of the national recruitment boom post-war was attributed by one CAS to 'the steady work that has been carried out all over the country to introduce graduates into fields where they were not customarily employed pre-war'.[987] A report produced in 1965 by the services of Manchester, Nottingham and Durham studied numbers of graduates entering Chartered Accountancy during 1952-63 and encouraged further progress.[988] Around the same time a national conference discussed the emerging issue of graduates entering smaller firms.[989] But it was the recession of the early 1970s which confirmed the need for an 'interventionist/activist philosophy' in marketing the products of the universities and polytechnics.[990]

Both CASs and firms worried about the system whereby students sit 'like Humpty Dumpty' on an academic wall until they crash into practical life, and sought to improve vocational guidance.[991] There were sporadic attempts to get business people into schools, as well as presentations in universities.[992] But the most direct tool for reducing the 'complete lack of knowledge of the requirements of business' was the provision of works visits and work experience during vacations.[993] The former had developed within

[985] ISC1/11 28/06/1935; OUCS/3 (Harrods), letter Escritt to ACH 07/01/1964; OUCS/3 (BOC), letter KRCS to AWS 03/02/1961; OUCS/3 (Shell), letter AWS to WRP 07/10/1970.
[986] UMCAS AR (1975), 9.
[987] OUCS/3 (JWT), correspondence; APTB 10/6 (McCann Erickson); Escritt, 'The Railway Traffic Apprenticeship: A Historical Note' (1972), 45; CUCS, *History of the Cambridge University Careers Service* (2002), 13; ULCAS AR (1956).
[988] ISC1/19/3/115 (1965), 14.
[989] Scott, 'Careers Advisory Provision in UK Higher Education' (1987), 8.
[990] BJH/15: 'Australia and New Zealand' (1975), 5.
[991] Urwick, *Management of Tomorrow* (1933), 173.
[992] BJH/21: *UI News* 1986; SCOEG Newsletter January 1979 18.
[993] APTB 14/13, piece 23 (Calico Printers Association).

leading engineering and steel companies by 1913.[994] By 1926, Mather & Platt could state their preference for traineeship candidates to have previously taken a vacation course in their works.[995] In Oxford, vacation work (as opposed to short courses) became available around 1930 for technical graduates, from 1946 for arts graduates and, by 1951, up to 600 places were on offer to students. The London service saw such vacation jobs grow from 23 in 1946 to 650 by 1955.[996]

The number of firms who can be considered as recruiters grew rapidly after 1945. Whilst the Spens Report identified about 300 firms known to have taken Cambridge graduates until 1937, by 1963 Escritt at Oxford could identify 1,700 who recruited from time to time there, albeit that only 330 took graduates each year.[997] This was similar to the 271 firms who paid for spaces in the leading *Directory of Opportunities for Graduates* (DOG) in 1963. Ten years later DOG attracted 650 firms and by 1980 perhaps 1,000 firms advertised in the three main directories, of which SCOEG members represented about 390.[998] CSU had on-going contact with about 8,000 employers and produced 30,000 copies of its bi-weekly vacancy list.[999] Towards the end of the 1980s recruitment boom, up to 12,000 companies could be considered as graduate recruiters with a core of 1,000 doing so systematically each year, served by 129 CASs.[1000]

Especially from the boom years of the 1950s, this expanding set of firms sought talent at national level and the graduate labour market came to resemble more the market

[994] McGuffie, *Working in Metal* (1985), 108.
[995] *The Journal of Careers*, Vol. V, No.7 (March 1926), 11.
[996] ULCAS ARs.
[997] Spens, *University Education and Business* (1946), 2; Weston, *From Appointments to Careers* (1994), 142.
[998] SCOEG Newsletter April 1980 6.
[999] AGCAS/14 (Anglo-German Conference 1981), 64.
[1000] Hodgson & Payne, *Employers and Careers Advisory Services* (1988)1; Pearson & Prior-Wandesforde, *Monitoring Graduate Recruitment* (1986), 4.

for managers than that for less educated young people.[1001] A survey in 1986-7 found that whilst at least 54 CASs produced their own vacancy lists, major employers typically advertised in many, and over 50% also advertised in the national CSU lists.[1002] A more recent phenomenon is for multinational companies to seek high-flier talent across several countries to meet their needs.[1003]

An annual cycle of recruitment started to emerge after 1920 when companies such as Metropolitan-Vickers and STC began canvassing for technical graduates in the late spring/early summer and, by the 1930s, saw a wider range of companies doing the same.[1004] By the late 1940s, 17 out of 43 firms surveyed by the FBI had planned annual recruitment of graduates (the others took as and when needed) and Manchester could report the visit of an employer every other day on average during the spring, and start of summer, term.[1005] WH Allen felt they were like most companies in 1949, doing their graduate recruitment in May and June.[1006]

Perhaps the most essential change from patronage methods was that vacancies were increasingly open to applications from all potential candidates. This meant that old practices, such as advertising positions anonymously (using postal box numbers for replies), offering a vague 'opportunity' without providing details of salary, training and criteria, disappeared.[1007] Companies such as Dunlop's needed to lose their fear of an 'embarrassing' influx of applications if they publicised their training scheme for arts

[1001] e.g. Lee, *Who Gets to the Top?* (1981), 141; IRS, 'Survey of Recruitment Practice' (1999), 8.
[1002] Hodgson & Payne, *Employers and Careers Advisory Services* (1988), 20.
[1003] Bartlett & Ghoshal, *Managing Across Borders* (1989).
[1004] FBI/200/F/3/T1/400, letter KRE to GW of 29/08/1950; *The Journal of Careers*, Vol. VI, No.63 (April 1927), 20-22.
[1005] FBI/200/F/4/65/1 (1949), 82; UMCAS AR (1950).
[1006] FBI/200/F/3/T2/4/1, letter 25/02/1949.
[1007] FBI/200/F/3/T1/197 (1948) Letter Escritt to Tennyson 21/07/1948.

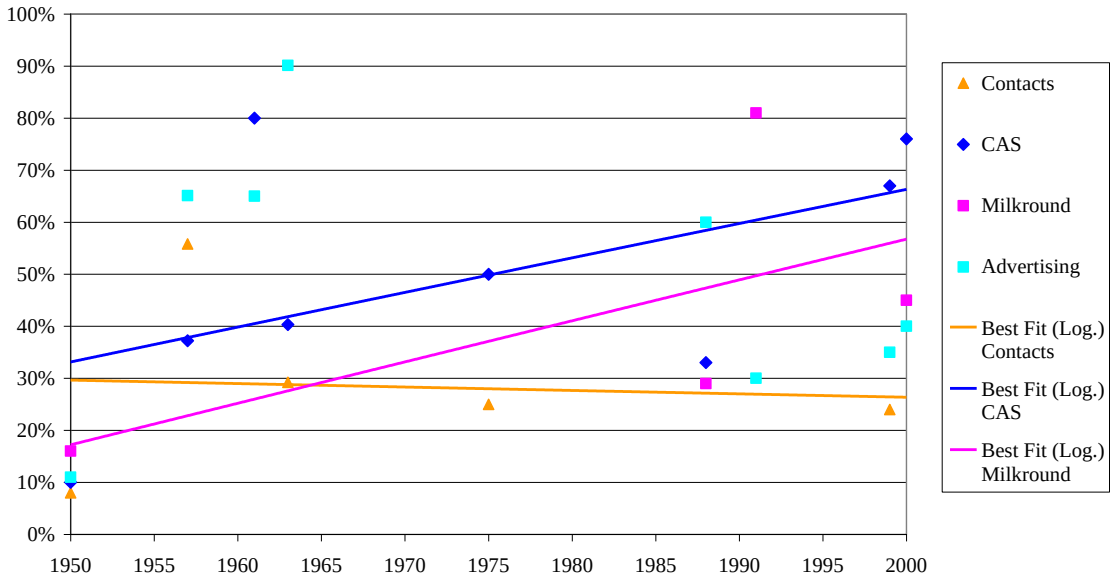
graduates.[1008] A limited start was made from the 1930s when the London CAS began circulating lists of vacancies.[1009] Yet jobs remained largely hidden from students until the 1950s, and a study in 1952/3 found that little useful literature was available to students interested in business.[1010] A tentative careers directory did appear in 1955 but did not become a national resource until it was re-launched in 1957, having benefited from CAS advice.[1011] It was soon followed by similar volumes for school leavers. 1955 also saw an FBI scheme to distribute cards with vacancy details from many member firms to at least the public schools, and when this was revised in 1962 it included about 200 companies.[1012] Such publicity generated applications – one study of nineteen firms in 1976 found that whereas companies who advertised received between 650 and 2,400 applications annually, two firms who did not received many fewer.[1013]

The availability of published information and help from active CASs is the main reason why graduates have been less likely to make use of informal networks in their job search than their less educated peers.[1014] The large scale NCDS study found that whereas 70% of the cohort's graduates used formal channels to enter the labour force, this was true only of 55-65% of those with lower qualifications.[1015] This represents another similarity to managerial recruitment where proportions using informal channels are relatively low.[1016] Figure 6.3 shows how selected methods of recruitment have been used by firms at various moments in time. This suggests that, although informal contacts have not disappeared, formal channels have grown more important over time. So, although

[1008] FBI/200/F/3/T1/400, letter CDL to GW of FBI.
[1009] Weston, *And Now at Gordon Square* (1984), 33.
[1010] APTB 10/6 (Birkbeck College).
[1011] Joan Hills (Interview); Labovitch, 'Careers Publishing' (1993), 13.
[1012] MRG/3 'Recruitment' (1955), 2; *Journal of the CRAC*, Vol. 1 No.2 33.
[1013] Pearson, *Qualified Manpower in Employment* (1976).
[1014] Boheim & Taylor, *Job Search Methods, Intensity and Success* (2001), 16.
[1015] Cheung, 'Meritocracy Revisited' (1997), 165.
[1016] Koch, 'Recruitment and Selection Strategies in the Firm' (1989), 41, 81.

about 40% of firms were using direct contact with faculties and individuals in the early 1960s, twice that were using CASs and two-thirds advertised their vacancies.[1017]

Figure 6.3 Percentage of companies using specified methods to find contact graduate candidates



Source: 1950 & 1957 PEP *Graduates in Industry 24* & 28 (N=43); 1961 UGC *University Appointments* Boards 23 (N=168); 1963 BIM Information Summary No.108 *A Survey of Selection* Methods (N=243); 1977 Allison, 'Routes to Work' *Phoenix* (No.26, 1980), 2; 1988 Preece, *Graduate Recruitment in the Chemical Industry* 93 (N=172); 1991 Barnes & Novakovic *Graduate Recruitment* Marketing (N=79); 1999 & 2000 IRS, 'Survey of Recruitment Practice' (1999), 8 (N=111), and 'Graduate Survey' (2000), 13 (N=50).

As this confirms, the overall displacement of patronage does not mean that informal methods have disappeared as such, although their nature has evolved. There is scattered evidence, for example, that the successful operation of formal intermediaries (such as head-hunters) may result from linking into informal networks.[1018] Likewise in the 1980s, after the visit of an American academic, the Oxford service promoted the idea of 'creative job search'.[1019] This was based on the premise that many good jobs were not

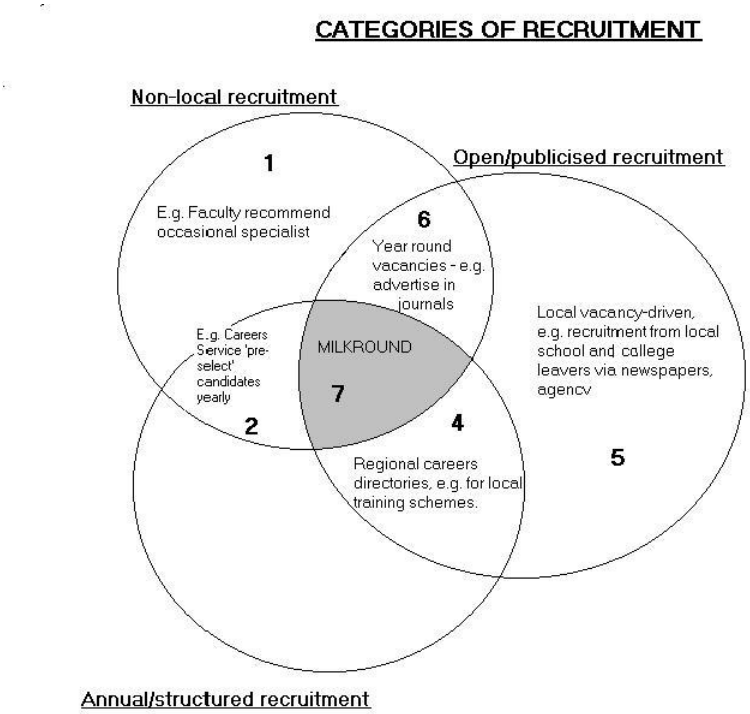
[1017] UGC, *University Appointments Boards* (1964), 22.
[1018] Granovetter, *Getting a Job* (1995), 167.
[1019] OUCS AR (1979/80).

advertised in universities or elsewhere and involved not only imagining possible opportunities but also using informal channels to find informants and sponsors within target employers. The aim was to obtain an interview to win on merit, but the tactics echo older methods.[1020]

6.5 The Rise of the Milkround

When the three trends of increasing scope, an annual cycle and an overall formalisation of channels are combined, the result was the 'milkround', namely the yearly interviewing of candidates on multiple campuses by company representatives. Figure 6.4 shows this in contrast to other possible and actual combinations.

Figure 6.4 Approaches to recruitment by geography, timing and degree of publicity



Source: Author's formulation.

[1020] OUCS, 'The Creative Job Search' (1986).

When Metropolitan-Vickers was seeking talented young graduates in the 1920s it made an unusual effort: it sent its staff to 42 universities and colleges rather than waiting for recommendations or unsolicited applications to reach it.[1021] When Ferranti sought graduates in the 1930s as salesmen they also made such visits, while Harrods reported that they had received cooperation from one CAS in 'interviewing a number of candidates at the university while still in residence'.[1022]

The surge in company visits post-war was impressive. In Birmingham the number of visiting companies jumped from 60 in 1948 to 133 in 1949. Oxford had 212 employers in 1950 and 304 in 1952, the large majority from business.[1023] An example of the trend was provided in 1953 when John Lewis, who had previously brought pre-selected candidates to interview at their offices, decided to send representatives to the universities.[1024] Unilever, the British Aircraft Corporation, and Shell-Mex were all post-war converts.[1025] By the mid-1950s observers noted that most big firms seemed to send representatives to perform interviews.[1026]

It seems to be the case, though, that technical graduates benefited earlier from such visits. At least two Oxford arts graduates in the 1950s found the milkround limited in scope then, and one (who later headed the CAS) was invited to travel to interview.[1027] By the early 1960s, though, a major study of the issue found that 'Arts graduates now seem so attractive to personnel officers that a kind of courtship dance is played out every

[1021] FBI/200/F/3/T1/400, letter KRE to GW of FBI 29/08/1950.
[1022] Wilson, *Ferranti: A History* (2000), 245; APTB 14/1, piece 7 (Harrods).
[1023] OUCS AR (1952), 3.
[1024] OUCS/3 (John Lewis), letter EB to Escritt 09/12/1953.
[1025] SCOEG Newsletter May 1975 1; Robert Dunsmore (Interview).
[1026] e.g. Collins, *Non-Specialist Graduates in Industry* (1955), 8.
[1027] Dunsmore, *Remember Your First Job?* (1992), 14; Tom Snow (Interview).

year at the universities'.[1028] Some CASs became unable to provide full administrative support, from the late 1950s in the case of Oxford, although Manchester and London were more generous or better equipped.[1029] Nonetheless, the 1960s proved to be a halcyon age for the milkround, and new companies kept discovering the merits of the exercise into the 1980s and 1980s, typically once they reached a certain level of size or desire for formality.[1030] The recession of 1970/1 provided the first major shock both to the milkround and to the cooperative atmosphere that had been created between firms and CASs: several recruiters rescinded job offers that had already been made due to budget cuts. There was frustration on both sides, but cooperativeness won out and the episode led to the finalisation of a Code of Practice under the auspices of SCUAS, SCOEG and the National Union of Students, including agreement about how companies should compensate graduates affected.[1031]

Firms and CASs also began wondering whether the economics of the milkround could be improved. High costs meant that in economic downturns it became uneconomic for firms to cover more peripheral and smaller institutions. An analysis of milkround visits to eighty HE institutions for the period 1979-1986 finds that universities in the south of England were less likely to see large drops in visits or dramatic recoveries than either universities in the North or any polytechnics.[1032] In 1984/5, universities producing fewer than 1,000 graduates a year received an average of 78 visits whereas those

[1028] Collins et al, *The Arts Graduate in Industry* (1962), 6.
[1029] OUCS/3 (Albright & Wilson), letter AWS to LWG 06/07/1961; ULCAS AR (1961).
[1030] APTB 10/28 & 23 Thomson McLintock; Peat Marwick; APTB 10/11 (Commercial Union).
[1031] Warrell, *Employers and Graduate Recruitment* (1993), 42.
[1032] Whitehead, 'On The Milkround' (1986), 1.

producing over 2,000 received an average of 270, and polytechnics received far fewer visits at any size.[1033]

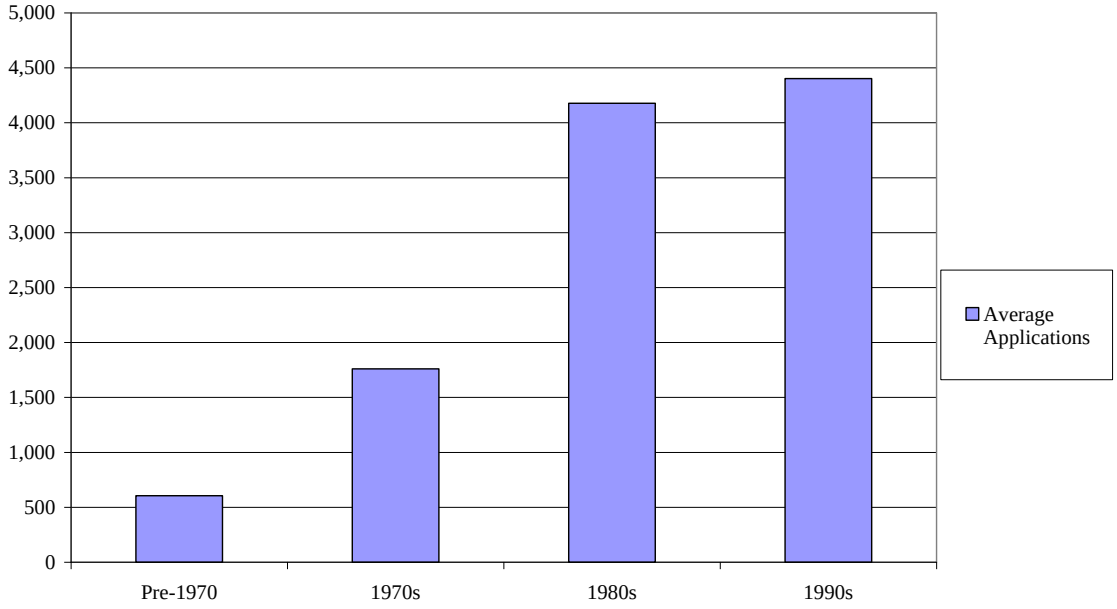
6.6 The Arrival of Pre-Selection

From the 1950s, limited graduate numbers, plentiful jobs, and the screening function of some careers services meant that recruiters would interview all those interested in their company.[1034] But, by the 1960s, a clear majority of firms were keen to dispense with this kind of intermediation, while CASs, more sensitive to the potential conflict inherent in pre-selecting for firms whilst supposedly representing all students, encouraged firms to take over this responsibility.[1035]

For a time, employers were happy to rely on student self-selection since candidates were in relatively short supply in the 1960s. Firms were urged to make their criteria explicit and realistic in advertisements or brochures and would only then see application forms on arrival at a university.[1036] However, as student numbers grew, average applications per company began to increase rapidly as Figure 6.5 shows.

[1033] Ibid, 3.
[1034] CUCS, *History of the Cambridge University Careers Service* (2002), 8; Tom Snow (Interview); OUCS/3 (John Lewis), letter Escritt to IDS 16/02/1950; Sally Mason (Interview); APTB 10/4 130 (Unilever).
[1035] UGC, *University Appointments Boards* (1964), 24; Watts, 'Careers Work in Higher Education' (1996), 136; UMCAS AR (1961).
[1036] Pearce & Jackson, *The Graduate Connection* (1976), 42-3; Wanous, *Organizational Entry* (1980), 83; Terry Dean (Interview).

Figure 6.5 Average numbers of applications per company for graduate positions in database companies by decade



Source: Extract from database. Simple average of applications for all companies where relevant data exists. Pre-1970: N=7; 1970s N=21; 1980s N= 60; 1990s N=60.

Some companies had done short-listing based on applications from the 1950s but it was in the late 1960s that large firms began experimenting with structured questionnaires to reduce candidate numbers more systematically.[1037] At the 1968 Durham conference there was a general feeling amongst employers that pre-screening was becoming inevitable.[1038] This typically started on the commercial vacancies as opposed to technical but, by the 1970s, all kinds of vacancies were subject to screening in major recruiters such as ICI, Ford and Mars.[1039] Like American recruiters before them, the central task in recruitment logistics turned from bringing people in to knocking them out.[1040] The recession of the early 1980s made the practice permanent as applications per vacancies

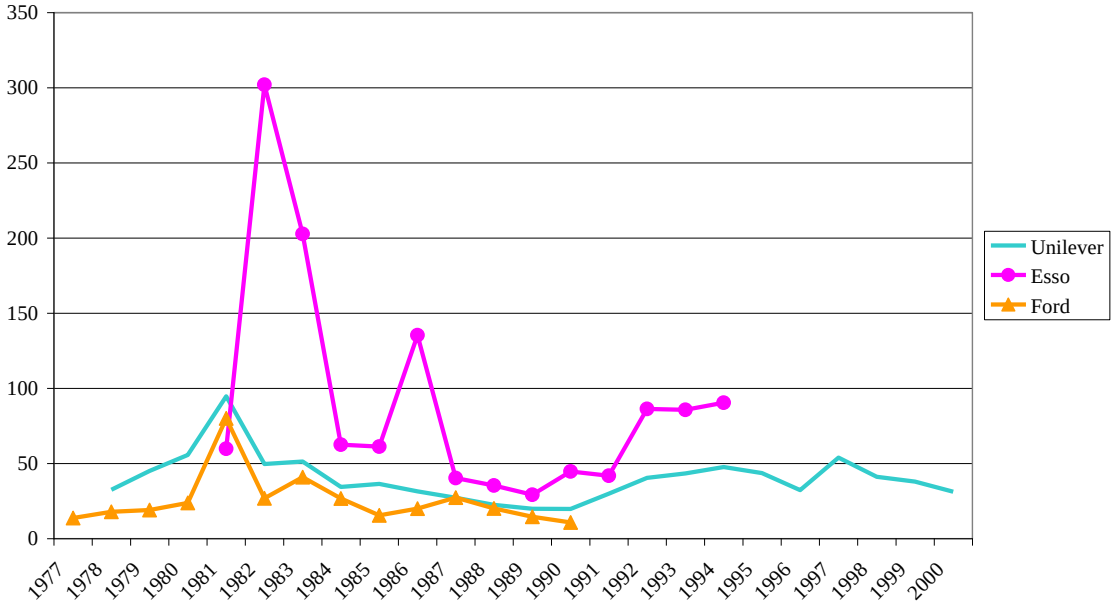
[1037] OUCS/3 (John Lewis), letter EB to Escritt 09/12/1953; APTB 10/8 (Shell) 23/2/67 PTS.
[1038] AGCAS/13 (SCUAS/Employers Conference Report 1968), 3.
[1039] Peter Sterwin (Interview); GO 1989, 65; APTB10/23, DFTW, September 1974; Ford Recruitment Manual (1977).
[1040] Odiorne & Hann, *Effective College Recruiting* (1961), 148.

exploded. In Manchester, for example, the number of interviews applied for grew from about 13,000 to over 18,000 despite fewer employer visits and resulted in just 22% of firms seeing all applicants by 1982 – about half what it had been just two years before.[1041]

Numbers for some recruiters could reach astonishing levels. In 1981 the Post Office was 'so overwhelmed by applications that we were physically unable to process them all'.[1042] In 1982 BP received 11,000 applications but this had halved by 1989 and fallen to just 2600 in 1996.[1043] Their falling trend was unusual though – in 1994 Marks & Spencer received 18,000 following no fewer than 40,000 written enquiries and 92,000 telephone ones.[1044] Four years later the entities that joined to form the accountancy PWC handled 35,000 applications, whilst one large management consultancy reckoned that anything between a quarter and a third of all British graduates applied to them.[1045] As Figure 6.6 shows, applications per vacancy exceeded one hundred in some circumstances. The problem for selectors, in the words of C. Northcote Parkinson, was that there were simply 'too many candidates'.[1046]

[1041] BJH/20: 'The Lent-Term Milkround' (1982).
[1042] OUCS/3 (Post Office), letter NW to TS 04/11/1981.
[1043] OUCS/3 (BP).
[1044] OUCS/3 (M&S), visit note DJC 22/09/1994.
[1045] OUCS/3 (PWC), visit note TL 22/09/1998; Harvey et al, *Graduates Work* (1997), 28.
[1046] Parkinson, *Parkinson's Law or the Pursuit of Progress* (1958), ch.2.

Figure 6.6 Average applications per declared vacancy for selected companies



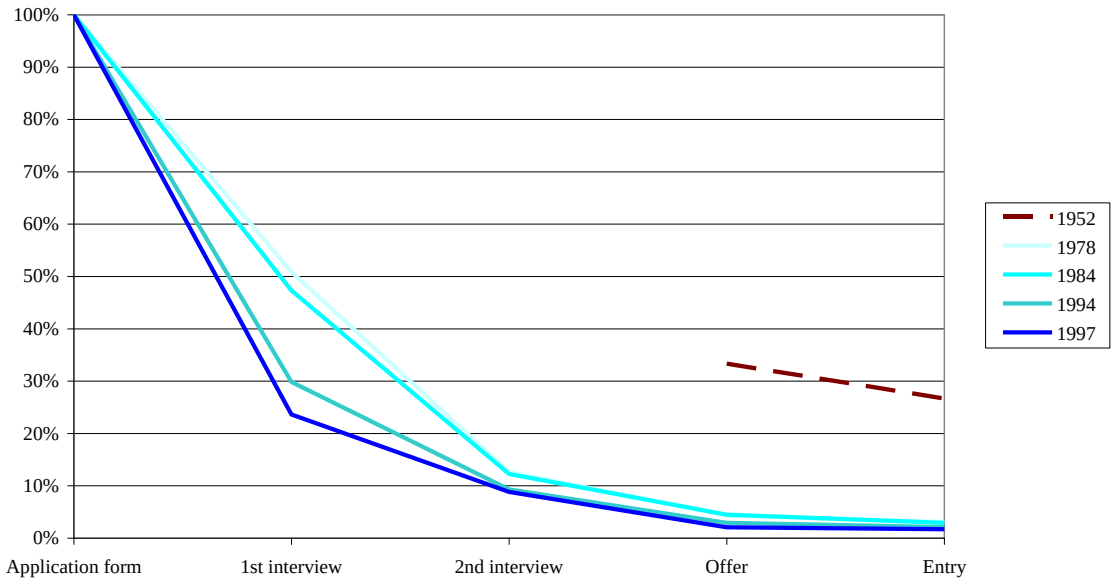
Source: Vacancies as declared in graduate recruitment directories. Ford data: 1948: Ford 2 ('Ford and the Graduate – Philosophy' 1977); 1978-1991 Graduate Recruitment Annual Reports; 1999& 2000 OUCS Company File. Unilever data: Unilever 4 (List of UCMDS Entrants 1952-73); 1979 onwards Unilever Graduate Recruitment Annual Reports; Esso data: Graduate Recruitment Annual Reports.

CASs were initially wary of pre-selection, feeling that increasingly sophisticated application forms would encourage self-selection by students anyway.[1047] Manchester felt that by accepting free interviewing and administrative facilities, employers placed themselves under an obligation to interview all the students who wish to see them and appeared eligible.[1048] However, four years later they felt that greater use of rational screening was 'not entirely a matter for regret', and by 1974 they even assisted the process as long as firms conformed to various 'procedures and timetables'.[1049] By the late 1980s there was no longer any real debate.

[1047] Prentice, *The Employment of Graduates* (1976), 106.
[1048] UMCAS AR (1968), para 4.
[1049] UMCAS Board Minutes 11/05/1972 5; UMCAS AR (1974), 8.

With application numbers rising throughout the period, pre-selection became an increasingly important stage of the recruitment process, as Figure 6.7 shows. Whilst in 1978 half of all applicants to Unilever received an interview and 4.3% received offers, by 1997, fewer than a quarter got an interview and just 2.1% received offers. The incomplete line for 1952 suggests that selection had been even less stringent then, albeit that candidate numbers were limited by the role of CASs.

Figure 6.7 Evolution in the percentage of applicants left after each selection stage for the Unilever Companies Management Development Scheme

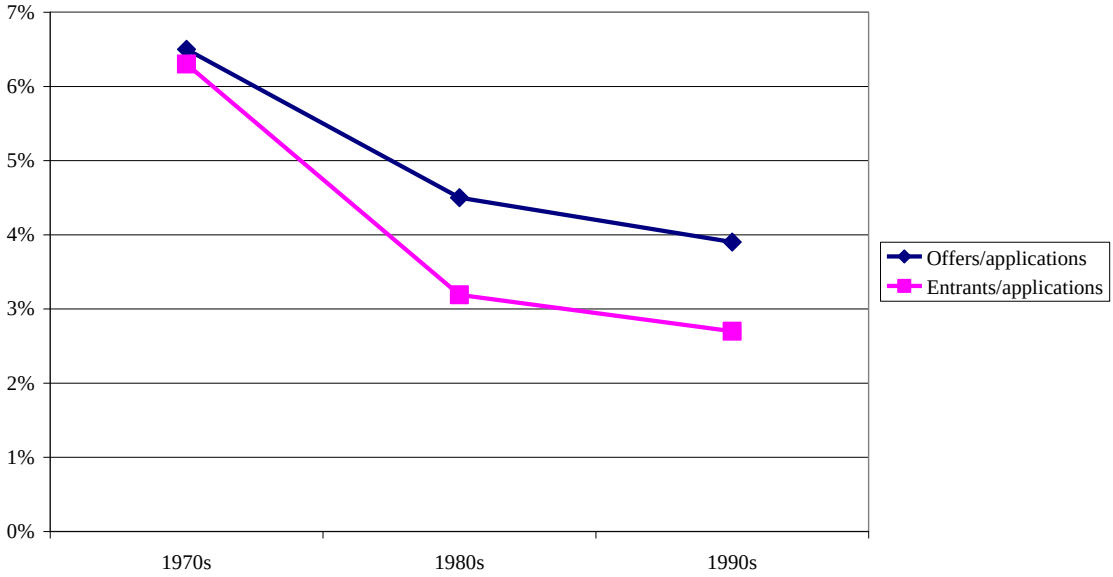


Source: 1952: Wilson C, *The History of Unilever* (3 Vols., 1970), iii, 49; 1978 onwards Unilever Graduate Recruitment Annual Reports.

Unilever's experience is representative of the wider universe of recruiters whose ratio of offers (or entrants) to applicants dropped significantly from the 1970s to 1990s. Consequently, from being a single round procedure during which many job offers were made until 1970, the milkround became simply one element in a three-round process of sorting through ranks of applicants. Perhaps inevitably, one consequence of recruiter

tightening was an increase in the number of applications made by students – from an average of three to four in 1962 to around eight in the late 1970s, and perhaps higher since then.[1050]

Figure 6.8 Average percentage of applicants for graduate positions in database companies who received employment offers or actually entered employment there



Source: Collated information on subset of database companies. Data for offers/applications: 1970s N=14, 1980s N=41; 1990s N=29; Data entrants/applications: 1970s N=6, 1980s N=35, 1990s N=31.

Recruiters could use various tools for this task. Paper application forms were the norm until recently. In the late 1980s, some companies were attracted to the idea of using psychological tests – typically used at later stages of selection – for pre-screening and a scheme was launched to provide standardised tests for students to take on campus. However, CAS uptake was insufficient to establish the idea.[1051]

[1050] Collins, *Non-Specialist Graduates in Industry* (1955), 64; Pearce & Jackson, *The Graduate Connection* (1976), 39.
[1051] Warrell, *Employers and Graduate Recruitment* (1993), 75.

But despite its increasing importance for the overall quality of corporate recruitment, and for the destinies of students, pre-selection procedures and criteria were often hit-or-miss. Even in 1968 one careers adviser noted that different methods of pre-selection could produce very different results, usually different from those produced by interviewing.[1052] A survey by AGR in 1972 found scarcely any commonalities between the questions used on different application forms used for pre-selection, something confirmed and amplified in more detailed work in the 1980s, where 'the overwhelming impression left... was that pre-selection was a pragmatic, subjective affair'.[1053] A careers adviser found British Airway's paper sifting of applications 'very much like a huge "lucky dip"'.[1054]

The emerging world of computers appeared to offer a solution. Liverpool University had promoted a scheme in 1969 to match students to vacancies on various criteria.[1055] SCOEG financed the development of a project with some CASs called CAPS and this began pilot matching runs in 1972 and survived until 1977. But CAPS was technically slow, mechanical in its criteria, and was marketed weakly.[1056] A short-lived Prestel system placed vacancy notices onto special terminals but failed to attract students.[1057] More ambitious was the proposed Student Availability Register developed by SCOEG/AGCAS members based on an IBM prototype, and based around a central register of final year university students with identifying details to allow companies' job descriptions to generate a selection of plausible candidates.[1058] Its appearance in 1980,

[1052] AGCAS/17 ('Spring Term Recruitment Programme' 1968).
[1053] SCOEG Executive Committee Minutes, Meeting 18/12/1972; SCOEG News June 1984.
[1054] OUCS/3 (British Airways), visit note TS 21/09/1978.
[1055] Warrell, *Employers and Graduate Recruitment* (1993), 36.
[1056] Ibid, 36-38.
[1057] CSU/3: 'Current Vacancies and Prestel'.
[1058] SCOEG Newsletter Summer 1980 40.

though, coincided with a crash in recruitment and it withered. A private initiative, the Graduate Bureau, attracted support from various firms and offered to reduce recruitment costs for smaller and non-commercial employers by placing student details in a database for matching.[1059] None of these schemes, though, reached economic viability despite the hopes of those involved, and it seemed that the role of computers would be more limited.[1060]

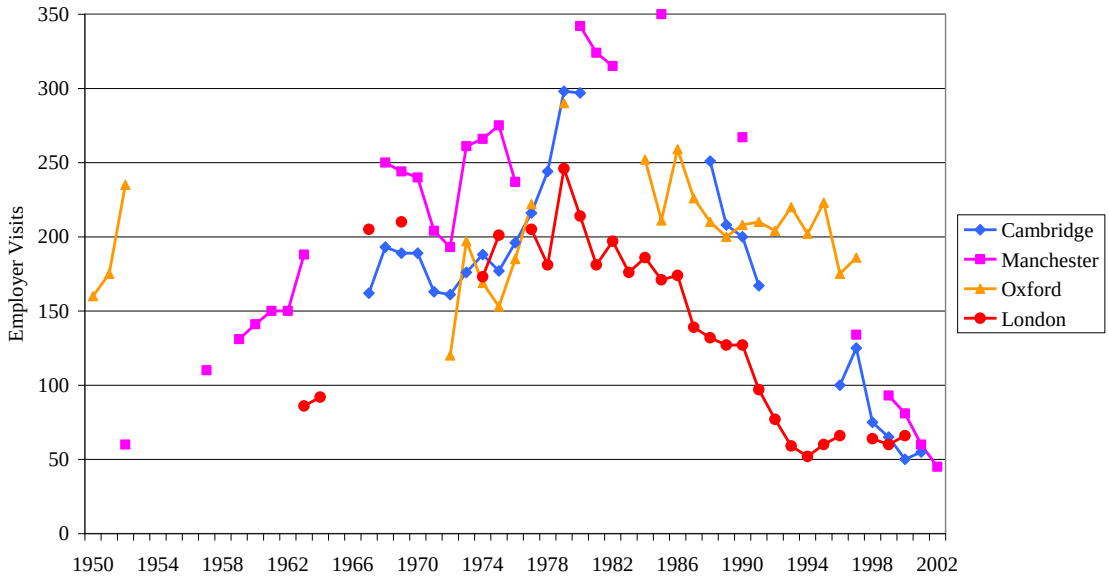
Non-IT approaches were tried out as well, mostly focusing on offering smaller recruiters access to pre-selection expertise. CSU launched a scheme in 1983 and wrote to 6,000 graduate recruiters suggesting various pre-qualified consultants but, seeing no response, handed the project over to a veteran careers adviser packaged as the Graduate Selection Service but still saw no real take-up.[1061] Instead, progress came in smaller steps, such as the creation of a Standard Application Form accepted by many recruiters and which simplified life for students.[1062] Marks & Spencer did computerised scoring of applications in 1991 to identify the most eligible, and by the late 1990s internet tools were deployed to offer on-line tests, access to invitation-only 'career forums' or to deliver CV information to third party screeners.[1063] KPMG's on-line system claimed to reduce application time to a day, provide an initial response within a day, and thereafter produce a final decision within a month – half the length of previous procedures – and closed itself once 5,400 applications had been logged.[1064]

[1059] CSU/4: 'The Graduate Bureau'.
[1060] Tom Snow (Interview).
[1061] SCOEG News December 1983 11; CSU/5: 'Pre-Selection Service'.
[1062] John Simpson (Interview).
[1063] Unilever: Graduate Recruitment Report (1995/6), 9.
[1064] OUCS/3 (KPMG), letter KD to TB 25/09/2000; KPMG, 'Routes into Business an Management' (2003).

6.7 The Decline of the Milkround

The inability to identify methods to reduce the costs of the milkround made it vulnerable to economic changes. It is true that previous predictions had been proven wrong – the London CAS were too pessimistic in spotting 'a very marked movement away from this rigid arrangement' in 1973, even if others agreed with them.[1065] With recruitment visits at all time highs in the late 1980s, Scott's worries about the 'assumed central role in graduate recruitment' of the milkround appeared premature, and AGR suggestions that the institution should be centralised – along the lines of entry to university – seemed unnecessarily violent.[1066] In retrospect, however, the observation of one study that 'the "orderly system" is coming under pressure' proved prescient, as Figure 6.9 confirms.[1067]

Figure 6.9 Number of annual recruitment ('milkround') visits by companies to selected universities



Source: ARs of CASs for respective years.

[1065] ULCAS AR (1973); Greenaway & Williams, *Change in Graduate Employment* (1973), 80-1.
[1066] Scott, 'Careers Advisory Provision in UK Higher Education' (1987), 22; Hodgson & Payne, *Employers and Careers Advisory Services* (1988), 1.
[1067] *Janus* (September 1989), 3.

Indeed, there are signs that milkround visits were falling, especially in London, from the 1980 recession onwards and that the boom years were a last hurrah. Between 1990 and 1995 the proportion of graduates entering work who were recruited by members of AGR (representing larger, more sophisticated employers) dropped from around 80% to 50%. This is turn was due partly to the decline of some traditional recruiters and partly to a proliferation of new smaller recruiters. One of the most consistent recruiters since the 1940s had been the diversified engineering group Tube Investments. The seventy or so people in group HR in the early 1960s did almost everything it was possible to do to demonstrate bona fides as a serious recruiter and trainer – they sponsored sandwich courses, vacation training, meetings for careers advisers, used advanced selection techniques, and then placed people into training schemes.[1068] They came through the 1980 recession intact after a restructuring. Financial problems deepened, however, and the arrival of a new chairman in 1986 was followed by the firing of almost the entire corporate head office and the immediate ending of centralised recruitment. They exited generic businesses and focused on a smaller number of niches and no longer recruit fresh graduates on a systematic basis.[1069]

In the 1990s, the rump of ICI announced that they would no longer participate in the milkround, were outsourcing pre-selection to an agency, and downgrading training programmes.[1070] The spun-off textiles division of Courtaulds was mauled by problems at Marks & Spencer and abandoned centralised annual recruitment for occasional vacancy

[1068] ISC1/19/3/115 to ISC1/19/3/142 (1965-1972).
[1069] Keith Pacey (Interview).
[1070] OUCS/3 (ICI), visit note CRC 28/09/1998.

advertisements.[1071] RTZ had been localising its recruitment abroad which reduced British needs and in 1992 its training scheme was suspended indefinitely.[1072] Even companies like WH Smith which were not undergoing major structural change left the milkround as numbers of entrants fell.[1073] The recruiters who were taking their places were usually smaller and did so without participation in annualised recruitment.[1074] Instead they used press advertisements, contacts with local HE institutions, and usually called candidates to interview at their offices.[1075] The milkround continued but at a lower level and dominated by a smaller number of larger employers needing more than fifty graduates/year.[1076]

From the mid-1980s, students showed a decreasing inclination to apply for positions advertised as part of the milkround.[1077] By 1988, 40% of graduating students did not seek jobs through the milkround and by 1994 this had reached 50%. The main reason seemed to be academic work pressure, partly owing, no doubt, to increased focus by firms on examination results.[1078] But the trend towards modularisation and semesterisation in HE also meant that some students found the old cycle did not fit their needs.[1079] Nevertheless, those who might be described as high-fliers – by their own aspirations and their perceived ability – 70% still applied for milkround jobs.[1080]

Most of all, though, firms apparently became convinced that they could reduce or abandon their involvement in the milkround without compromising the quality of their

[1071] OUCS/3 (Courtaulds), circular letter 22/02/1999; 1997 recruitment brochure.
[1072] OUCS/3 (RTZ), notes by ARN 1981 and MJD 1997.
[1073] OUCS/3 (WH Smith).
[1074] Watts, *Strategic Directions for Career Services* (1997), 20.
[1075] Brown, *Graduates and the Small Firm* (1978), 38; Connor & Prior-Wandesforde, *The Graduate Milkround* (1986).
[1076] IRS, 'Survey of Recruitment Practice' (1999), 8; IRS, 'Graduate Survey' (2000), 13.
[1077] SCOEG News April 1985 2; *Janus* (September 1988), 12.
[1078] *Janus* (September 1989), 4.
[1079] Watts, *Strategic Directions for Career Services* (1997), 34.
[1080] Unilever 1 ('UCMDS Fundamental Review' 1994), App IX.

entrants, and embarked on a series of experiments away from traditional patterns. National Westminster Bank reduced formal annualised recruitment to increase just-in-time hiring.[1081] Young & Rubicam left the milkround to increase the effort required of students and thereby to reduce casual applications.[1082] Procter & Gamble relied more on candidates seen in vacation courses and work experience and used the milkround only as a top-up. Ford, Rover, Guinness and Rolls Royce all looked to find an increasing proportion of their graduates during the penultimate year of study.[1083] Jaguar and Land Rover dropped campus interviewing, thus saving £500,000/year and restricted face to face contact to final interviews.[1084] Lucas, who had previously visited up to 75 HE institutions decentralised recruitment to individual units and narrowed their focus to sponsored students, universities with research links, and those close to plants.[1085]

These experiments did not always go well. British Airways found that certain categories of application – notably engineering posts – fell dramatically after they abandoned milkround visits.[1086] In addition, the retreat from the milkround may have reduced some transparency in the market, with firms making greater use of unconventional channels to contact promising students, i.e. via direct mail, student societies, alumni networks and recruitment agencies.[1087] It has also exposed CASs to competition from outside intermediaries.[1088] Some recruiters withdrew completely from recruiting graduates and focused only on so-called 'second bounce' recruiting, i.e. up to three years after leaving university and usually after a first job. For example Unilever,

[1081] OUCS/3 (Natwest), response to questionnaire 1998.
[1082] OUCS/3 (Young & Rubicam), letter SC to OUAC, end–1990?.
[1083] OUCS/3 (P&G), visit note MJD 06/08/1996; Spaull, 'The Role of the Graduate in Industry' (1993), 109-110; OUCS/3 (Guinness), letter MJD to CS 10/02/1999.
[1084] Jaguar and Land Rover, 'Routes into Business and Management' (2003).
[1085] Spaull, 'The Role of the Graduate in Industry' (1993), 109, 135.
[1086] OUCS/3 (British Airways), visit note MJD 07/06/1990.
[1087] OUCS AR (1987/8).
[1088] Hodgson & Payne, *Employers and Careers Advisory Services* (1988), 4.

noting that only 41% of graduates were aware of what they offered, calculated that there must be high ability people amongst the remaining 59% and provided a new channel for them to enter.[1089]

As this last example demonstrates, however, different does not necessarily mean worse. Greater numbers and variety of recruiters would inevitably lead to change and diversification as some recruiters had predicted.[1090] Even as annual recruitment visits have declined, numbers of companies making formal presentations on campus to students has grown. In Oxford such presentations have grown from just a handful in the 1960s, to some tens in the early 1980s, and then a fairly constant 120-160/year between 1986 and 2000.[1091] The same is true at Cambridge and elsewhere.[1092] Serious recruiters know that they still need to maintain their profile amongst a population that mostly changes yearly.[1093]

One opportunity to keep contact with multiple universities and provide access (but not interviews, as is the case with the milkround) to a wide range of students has been recruitment fairs.[1094] The idea may have been copied from Michigan where a 'careers carnival' was created in 1948 and was running strongly at least into the 1960s.[1095] The first definite success in Britain was the one launched by the Bradford CAS in 1972.[1096] The model spread slowly to other universities and, by 1990, 42,000 students and 491 companies participated.[1097] Firms found that the quality of candidates at the fairs, held

[1089] Unilever 1 ('UCMDS Fundamental Review' 1994), 10.
[1090] e.g. Keith Bell in SCOEG News September/October 1986 6.
[1091] OUCS ARs.
[1092] CUCS AR (2000).
[1093] OUCS AR (1998/9).
[1094] CSU, *Graduate Recruitment Fairs* (2001).
[1095] NICB, *Employment of the College Graduate* (1956), 6; APTB 19/5, piece 7 (Visit to USA 1964).
[1096] AGCAS/2 (Memo from David Ward to all CASs 28/07/1967).
[1097] SCOEG News December 1988 8; *Janus* (April 1991), 7.

mostly in the summer, was equivalent to that of main season.[1098] Their role had become even more prominent ten years later – Manchester, for example, hosted no fewer than nine graduate recruitment fairs attracting hundreds of companies.[1099] The ultimate success of these structural changes is unclear but, at least, cooperative traditions and structures offer reasonable chances of over-coming new challenges.

6.8 UK Specificity?

The sections above argue that Britain evolved a flexible, cooperative and robust system for the orientation and placement of graduates into jobs during the twentieth century. Two issues are considered below by comparison: What arrangements were made abroad to assist students explore career options, and which institutions mediated the confrontation of candidates and recruiters?

In the area of vocational guidance, a conclusion that British approaches were relatively successful was not always obvious. The influential professor of occupational psychology, Alec Rodger, reckoned that in overall provision Britain had lagged behind other countries in 1922 and continued to do so in 1964.[1100] Twenty years later, another source claimed, without substantiating detail that the UK provided less labour market information to individuals than abroad.[1101] In provision for graduates, though, the head of the Manchester CAS reckoned that no arrangements abroad could match the wide range of constructive collaboration in the UK, while a leading authority on international

[1098] Unilever: Graduate Recruitment Report (1997).
[1099] Interviews with Jan Hewitt, Andrew Whitmore.
[1100] Rodger, 'Stagnation in Vocational Guidance' (1964).
[1101] IMS, *Competition and Competence* (1984), 89.

careers work reckoned they were comparable to those found in the USA, a model within Europe, and 'widely regarded overseas as a world leader'[1102]

At university level, two main groupings can be observed within the advanced economies. Firstly, a rather minimalist continental European model where the state nominally provided coverage but where, in fact, career search fell more to university faculties and individual initiative. Secondly, an Anglo-Saxon model of careers services based within universities, with Japan as a hybrid. This division goes back decades – Kotschnig's survey in the 1930s noted that 'while most of the universities on the European continent held aloof from such sordid business as jobs and careers, the Anglo-Saxon universities, and chief amongst them Oxford and Cambridge, recognized at an early date their responsibility towards the future of their students'.[1103] By this time the former German careers offices had apparently been downgraded.[1104] In the Netherlands, some entities similar to UK CASs seem to have existed around 1960, but they were limited in number and role and, despite encouragement from Unilever and Shell, they died off.[1105] Attempts to launch graduate careers directories in France and Germany in 1961 failed for lack of interest in the model of recruitment it implied.[1106] Twenty five years later, UNESCO criticised the German and French approach: 'an organised career information system is generally lacking'. Visiting British HR specialists could find little recruitment infrastructure for graduates.[1107]

[1102] BJH/1: 'Retrospect and Prospect' (1984), 3; Watts, *Strategic Directions for Career Services* (1997), 18.
[1103] Kotschnig, *Unemployment in the Learned Professions* (1937), 258.
[1104] Ibid, 251.
[1105] OUCS/3 (ICI), letter from PH Chew of Shell to Escritt, 22/5/67; AGCAS: 'Visit to European Employers' (1991).
[1106] Heseltine, *Life in the Jungle* (2001), 60.
[1107] Sanyal, *Higher Education and Employment* (1987), 96; ISC1/19/3/149 (1974), 19-20.

French universities provided vocational advice only intermittently from the 1970s onwards, often from staff with teaching duties.[1108] At the Université de Paris VII in 1990, for example, ten staff tried to serve all 27,000 students without the benefit of any statistics on previous student destinations.[1109] The *grandes écoles* were better off than this, and also benefited from company visits and vacancy lists, but even HEC, for example, only had a dedicated careers service from 1991.[1110] Instead placement activity was divided imperfectly between the state ANPE (handling perhaps 10-15% of graduates and only certain classes of employers) and the private APEC who dealt with thousands of companies and handled 800,000 job applications a year, but of which only a fraction involved new graduates.[1111] French careers information developed from the 1970s onwards, with publications and conferences organised by *L'Etudiant* Company becoming influential by the early 1990s.[1112]

In Germany, matters were worse than that: in 1990 just a third of German universities received information regularly from employers.[1113] British careers advisers were 'bewildered' in 1981 when their German counterparts saluted British methods as 'considerably ahead' and 'openly praised the British system'. 'No-one could quite understand how it was that what seem the better university/careers systems resulted in a far less successful economy'.[1114] In fact Germany did have structures to assist students but they were insufficiently attractive. A special department (ZAV) of the Employment

[1108] AGCAS/16 (European Study Visit 1980), 27-35.
[1109] Meeting with Mr Colonne, in Mitchell, *Selection and Career Development of Graduates* (1991), annex.
[1110] CSU, *Entry of New Graduates* (1991), 12-14.
[1111] Sanyal, *Higher Education and Employment* (1987), 116; AGCAS, *Visit to European Employers* (1993).
[1112] AGCAS/16 (European Study Visit 1980), 27-35; *Janus* (September 1989), 6; AGCAS, *Visit to European Employers* (1993).
[1113] CSU, *Entry of New Graduates* (1991), 27.
[1114] AGCAS/14 (Anglo-German Conference 1981), paras 6-7.

Service existed from the 1950s but operated at regional not university level, meaning that students needed to travel some distance to talk to advisers.[1115] By 1989, ZAV advertised 55,000 jobs through its weekly newspaper *Markt & Chance* and arranged certain careers events, even on campus.[1116] Some universities had specialised personnel (the universities of Frankfurt, Hamburg and Bremen all had a person, for example) but they were typically civil servants or university administrators rather than careers specialists and were not taken seriously. Alongside this were various ad hoc initiatives at regional level, organised by student groups like AIESEC, and some limited recruitment advertising in university publications that was sometimes assailed by anti-business academic opposition.[1117]

At secondary school level, a visiting career master was surprised to report that 'The best of our schools compare most favourably with equivalent West German schools in the field of careers work'.[1118] This may be because work experience and careers advice was focused on the least bright children, with young people at selective Gymnasium schools receiving almost no help in work experience, university course choice, or careers education.[1119] French careers provision at school level was more coherent than in Germany and, in theory, more so than in the UK, with specialised state staff providing scholastic and then careers guidance, although links to employers (including work experience) were weaker than in the UK.[1120]

American assistance for student job-seekers emerged almost simultaneously with that of the UK. The Carnegie Institute of Technology in Pittsburgh had an office for

[1115] Ibid, Group III Report.
[1116] AGCAS, *Visit to European Employers* (1991).
[1117] Interviews with Christian von Drathen, Daniel Rutz.
[1118] RIS/1: 'Why Engineering?' (1977), 7.
[1119] Interviews with Christian von Drathen, Daniel Rutz, Robert Stokes.
[1120] ISC1/19/3/102 (1962), 33-6.

personnel and 'bureau of recommendations' from the Institute's creation in 1905 and, already by 1926, its practitioners were starting to formalise the relations between them.[1121] The depression and the need to reintegrate demobilised soldiers in the 1940s provided the stimulus for careers services to flourish.[1122] By 1956 regional associations of placement professionals and recruiters had created an executive body – the College Placement Council – which financed itself through a 'College Placement Annual' that sold entries to companies.[1123] Codes of recruiting and interviewing practice emerged from various sources and were formalised over time.[1124] The difference in speed and formality derived primarily from scale: when Britain had fewer than 100,000 students in the late 1940s, the USA had over two million and fierce competition made HE institutions attentive to student needs, including help in finding work. The richest institutions offered facilities ahead of those available in Britain – by 1948 Harvard wrote to all undergraduates with a fifty page booklet, and possessed an information room with files on 700 companies.[1125] Elsewhere, hundreds of colleges had scarcely any role in placement at all.[1126] Variations in Britain tended to be smaller. American placement offices were large and claimed to place 80-90% of their registrants even in 1948, way above the figures quoted in Britain (e.g. about 35% in Oxford) although British definitions were more conservative. Certainly the focus of American students on placement services and milkround was higher than in Britain.[1127] Even if staffing per

[1121] Beatty, *Thirty Years of Personnel and Placement Work* (1938), 7.
[1122] Chambers, *College Placement* (1952), 5.
[1123] CPC, *The Fundamentals of College Placement* (1962), 219-231; SCOEG Newsletter September 1982.
[1124] Tanner, *University Placement Work in America* (1950), 6; APTB 19/5, piece 7 (Visit to USA 1964), 25.
[1125] NICB, *College Graduates in Industry* (1948), and *Employment of the College Graduate* (1956).
[1126] NICB, *College Graduates in Industry* (1948), 28.
[1127] Azumi, *Higher Education and Business Recruitment* (1969), 52.

student were probably comparable, the sheer size and efficiency of services on huge campuses such as that at Berkeley impressed visitors.[1128]

Working on a smaller scale and within a less formalised structure until the 1970s, British careers personnel consoled themselves regarding the work itself. Holloway concluded that 'It is commonly assumed that so many things are done more efficiently by the USA than by us that it is a pleasant surprise to find that UK appointments boards come well out of any comparison'.[1129] By the 1960s and thereafter, British services probably registered a higher proportion of all students, were able to offer a more personalised service to them and to firms, and offered combined guidance and placement whereas in the USA these two things had been separated, often aberrantly.[1130] The British also had closer collaboration on national issues, such as collecting destination statistics and in the centralisation of vacancy information to maintain greater uniformity, something that was much harder in the vast USA.[1131]

At secondary level too, differences were fewer than similarities. One public school careers master seconded for a year to an equivalent school in the USA thought that by English standards 'very little is done', but a colleague with similar experience thought matters substantially the same.[1132] A survey of careers work across all types of schools thought American approaches better integrated and conceptualised.[1133]

Japan appears to have imported American style placement offices alongside American type degree courses and these institutions operated efficiently, if

[1128] APTB 19/5, piece 7 (Visit to USA 1964), 13; Cooke, 'Careers Services, Californian Style' (1985), 23.
[1129] BJH/11: 'Placement Offices in North American Universities' (1968), 53.
[1130] Ibid, 25; UMCAS Board Minutes 10/05/1961; AACP, *Education for Management* (1951), 18; Windle et al, *Review of Research* (1972), 97-100.
[1131] AGCAS/15 (Boston Study Tour 1982), 14, 17.
[1132] ISC1/19/3/153 (1975), 20; ISC1/19/3/154 (1976), 4.
[1133] Herr, *The British Experience in Educational Change* (1977).

idiosyncratically, from the 1950s. National level graduate work guides were launched from at least 1953 and, by 1964, one edition included details of more than 1,000 firms including lists of executives by title, school and geographical origin.[1134] At that time, and even into the 1990s, applications were tightly controlled by placement offices, with a solemnity accorded to recruiters more reminiscent of patronage than the more impersonal world of mass recruitment.[1135] No more than 10-15% of students were permitted to apply to top ranking firms, CASs controlled how many students might apply to specific companies, and students were obliged to accept the first offer that arrived.[1136] As in the USA, quality varied widely by institution with private universities taking more care, and whilst recruiters and placement professionals created separate associations as in Britain, cooperation between them was weak.[1137]

This lack of cooperation had consequences. A gentleman's agreement in 1953 between universities and recruiters to limit the start of the recruitment season had broken down by 1958 and by 1961 more than half of final year students had taken employment exams before the official deadline.[1138] Attempts to re-establish the timetable in the 1970s to the 1990s through voluntary and governmental means were thwarted, in part due to the role of alumni networks.[1139] The handling of students was less predictable for this reason and could lead to the non-observance of employment agreements with students

[1134] Azumi, *Higher Education and Business Recruitment* (1969), 70.
[1135] Lorriman & Kenjo, *Japan's Winning Margins* (1996), 70-1; Rebick, *Market for University Graduates in Japan* (1998), 4.
[1136] Azumi, *Higher Education and Business Recruitment* (1969), 57-8, 62.
[1137] AGCAS/23 (Japan and Hong Kong), 7.
[1138] Azumi, *Higher Education and Business Recruitment* (1969), 59-60.
[1139] Granovetter, *Getting a Job* (1995), 166; AGCAS/23 (Japan and Hong Kong), 5; Logan, 'Executive Recruitment Japanese Style' (1991), 66; JETRO, *Human Resource Guidebook* (2000), 7.

left unable to do much more than submit humiliatingly or smash company dormitory windows.[1140]

The same split between a continental European approach and an Anglo-Saxon one, with Japan as a hybrid seems to hold with regard to the degree of structuring of recruiter-candidate contact. In the absence of well-regarded intermediaries providing access to most students, continental companies developed a network of other channels – contacts with professors, advertising in student magazines, helping student societies like AIESEC, creating placements and summer internships (in 1991 Thyssen and Siemens provided 2,500 and 2,000 placements respectively), running workshops in faculties, and sometimes liaising with labour offices near universities.[1141] In practice this has meant a reliance on fewer channels generally and special dependence on channels which are typically less national, less structured in time, and less formal.[1142] So the French and German systems retain more elements reminiscent of patronage than in the UK. Alumni associations and educational fraternities have remained important in placing *grandes écoles* graduates from the 1930s until the 1990s, even if increases in volumes have also assisted the growth of employment agencies to assist identification of 'reliable' candidates.[1143] Significant proportions of French and German universities informally provided lists of students to companies, usually through individual teachers.[1144] Italian universities were even less encouraging – many 'said or strongly implied that influence

[1140] Logan, 'Executive Recruitment Japanese Style' (1991), 67; Azumi, *Higher Education and Business Recruitment* (1969), 35; Wood, *The End of Japan Inc.* (1994), 84, 88, 113.
[1141] CSU, *Entry of New Graduates* (1991), 37; Sanyal, *Higher Education and Employment* (1987), 112-3; Mitchell, *Selection and Career Development of Graduates* (1991), annexes.
[1142] CSU, *Entry of New Graduates* (1991), 28-33, 37.
[1143] Kotschnig, *Unemployment in the Learned Professions* (1937), 257; e.g. Lafarge Coppee, IBM France in Mitchell, *Selection and Career Development of Graduates* (1991), annexes; Boltanski, *Cadres in French Society* (1987), 200.
[1144] CSU, *Entry of New Graduates* (1991), 14.

is desirable' and that with little infrastructure for formal corporate contact, state jobs were sought for their transparent entry criteria.[1145]

This meant that inter alia, no yearly milkround has emerged, and the limited visits to campuses that were made were more occasional, more general in nature, and available only to some faculties.[1146] Some firms, like Banque Indosuez might have a peak of new entrants in September, but this did not constitute a clear annual cycle of recruitment.[1147] Efforts to create an IT solution, such as the *Futurum Vitae* service placed on the French Minitel system, whereby candidates can log CVs for inspection by employers, have not fared better than their British counterparts. The potential importance of these institutional differences are suggested by the fact that French students compared with British ones spend much longer seeking work and contact many more potential employers.[1148]

Explaining these differences would require more comprehensive treatment than is possible here, but at least three possibilities exist: academic attitudes; institutional size and graduation timetable. Within IBM, recruiters had the impression that German academics were less keen to delegate their intermediation function than had been the case in Britain, whether from a desire to retain direct contact with firms, to control loss of research students, or on ideological grounds.[1149] The greater number of French and German institutions, and their lower average production of graduates, may have made careers and milkround infrastructure proportionately more expensive to create and

[1145] AGCAS/7 (Working Party on Europe, 1973).
[1146] CSU, *Entry of New Graduates* (1991), 33.
[1147] AGCAS, *Visit to European Employers* (1993).
[1148] Brennan et al, *The Employment of UK Graduates* (2001), 18.
[1149] Brian Hyde (Interview).

maintain – although American institutions are both more numerous and smaller still.[1150] A more flexible, and year round, graduation timetable means that companies find it more difficult to focus resources on any single period to catch most graduates.

In a barbed comment Chandler claims that 'In the United States nepotism had a pejorative connotation. In Britain it was an accepted way of life'.[1151] Yet it is undeniable that patronage instruments were also found in the American graduate recruitment market. In America, the Pennsylvania Railroad was a pioneer in recruiting graduates into 'special apprenticeships scheme', but expected 'young men of good parentage' who had been vouched for by an incumbent manager.[1152] Both AT&T and P&G encouraged family members to come and work for the firm.[1153] Nepotism, social standing, and high-level connections were all supposedly keys to promotion in 1950s America.[1154] Most particularly, alumni networks have played an important role, with British visitors to America from the 1950s to the 1980s struck by the greater 'fierce pride of loyalty' to HE institutions than in Britain.[1155] In the 1990s, Harvard Business School sought to dispatch its students back into the world of work with 'embeddness', implying an answer to the question 'Who will open the door for me? Who will listen to me?'.[1156] Firms such as Salomon Brothers responded by using untrained alumni, provided with CVs but no formal criteria as such, rather than trained recruiters to recruit from their alma mater.[1157] These assorted facts, along with the broader literature on the pervasiveness of informal

[1150] CSU, *Entry of New Graduates* (1991), 26.
[1151] Chandler, *Scale and Scope* (1990), 292.
[1152] McGuffie, *Working in Metal* (1985), 81-2.
[1153] Lois Herr ABH 2003; Crowe, 'Pre-Graduation Recruitment of College Students' (1957), 58.
[1154] Bass & Burger, *Assessment of Managers* (1979), 11.
[1155] AACP, *Education for Management* (1951), 5; OUCS/3 (Young & Rubicam), letter JW to MJD 18/02/1989.
[1156] Atlas, 'The Million-Dollar Diploma' (1999), 46, 51.
[1157] Collins Roth (Interview).

recruitment internationally, make claims of British uniqueness in the importance of connections implausible.[1158]

Counter-balancing these quasi-patronage channels, though, has been a large milkround. Even before 1914, electrical engineering firms were doing recruitment interviews on campus, and in most colleges almost all graduates had jobs before leaving.[1159] The trickle of manufacturing companies became a rush of all industries in the 1920s and the 1940s saw graduate recruitment on campus become a mass activity.[1160] Already by 1939 a recruiter from Socony-Vacuum reckoned that about 800 firms were sending representatives to colleges, and estimated that 2-3 times this sought candidates by correspondence. Placements offices were instrumental in coordinating this massive exercise which included pre-selection of candidates, the provision of academic records to recruiters, and extensive administrative help.[1161] Immediately after the war this rose to perhaps 1,000 on campus but with another 3,000 recruiting by correspondence, and by the mid-1950s this had risen further still.[1162] This was sufficiently extensive for a British visitor to compare it with the hypothetical situation where British firms would send recruiters to public, grammar and secondary schools.[1163] Multiple points of graduation led to a widening of the recruitment season and some firms even visited the same campuses twice a year.[1164] During peak recruitment years in the 1960s and 1980s, almost 90% of large firms were interviewing on campus, and large

[1158] Granovetter, *Getting a Job* (1995), 5, 127-8, 139-141.
[1159] Williams, *Careers for Our Sons* (1914), 251-2.
[1160] NICB, *Employment of the College Graduate* (1956), 7.
[1161] Boynton, 'Recruiting for Industry', (1940), 31.
[1162] NICB, *College Graduates in Industry* (1948), 5; Crowe, 'Pre-Graduation Recruitment of College Students' (1957), 5,22; PPF, *Recruiting College Graduates* (1951), 2,4; Whyte, *The Organization Man* (1956), 75; Dooher & Marting, *Selection of Management Personnel* (1957), 304.
[1163] Tanner, *University Placement Work in America* (1950), 2.
[1164] AACP, *Education for Management* (1951), 18; NICB, *Employment of the College Graduate* (1956), 8; BJH/11: 'Placement Offices in North American Universities' (1968), 28; APTB 10/8 (Placement Association conference 1964).

institutions such as Berkeley received over 700 separate organisations per year.[1165] Huge volumes encouraged computerisation initiatives - heralded as 'a vital answer to the challenges of soaring costs and recruitment programmes' - from the 1960s onwards, but recession and user reluctance led to both main schemes being abandoned by the early 1970s.[1166]

As in the UK, doubts about the economics of the milkround emerged and one careers commentator wondered in 1980 whether various problems did not represent 'the end of campus recruiting' even if a third of company needs were still met that way, especially technical people and fast-track trainees.[1167] Not long afterwards employers warned that placement office opposition to pre-selection of candidates might force firms to use employment agencies instead: 'The future of college recruiting is in serious jeopardy'.[1168] Yet a debate around 1990 found discussions still at an abstract level without clear signs of decline and, indeed, 81% of MIT leavers in 1988 obtained jobs in the milkround.[1169] Certainly placement offices did begin to observe more firms focusing on campus presentations or sending vacancy notifications without actually visiting, and in 1999/2000, at the University of Pennsylvania, no fewer than 370 firms attended careers fairs and 230 made presentations.[1170] However, the growth of new channels did not seem to have damaged the milkround as much as in Britain – no fewer than 400 firms still came to carry out interviews.[1171]

[1165] PPF, *Recruiting Practices* (1969), 3; PPF, *Recruitment and Selection Procedures* (1988), 14; Cooke, 'Careers Services, Californian Style' (1985), 24.
[1166] BJH/11: 'Placement Offices in North American Universities' (1968), 51; BJH/14: 'The Higher Education/Employment Interface in the USA' (1974), 22; AGCAS/6 (Conference Report 1971).
[1167] Wilhelm, 'The End of Campus Recruiting' (1980), 302.
[1168] SCOEG News September 1983 6.
[1169] Weatherall, 'Is On-Campus Recruiting Really Working?' (1990).
[1170] Endicott Survey (1989), 13; CSU, *Statistics Quarterly*, No.58 4.
[1171] University of Pennsylvania, *The Career Services Manual* (2000).

Informal modes of job intermediation even within formal structures persisted in Japan until recently. Although candidates could obtain a wealth of information about companies from the 1950s onwards, approaches remained heavily dependent on introductions from university, and private connections, representing 48.5% and 43.4% of employment channels in 1958.[1172] Just 8% of jobs were obtained without intermediation and these were mostly in the civil service. Newspaper advertising was unusual and private employment agencies illegal.[1173] Alumni remained heavily involved in placement even into the 1980s.[1174] However, connections were circumscribed in their effect because, whilst they might provide entrance to employment exams, it was still a 'common conception' that one must pass the exams regardless of ones connections.[1175] When one firm found in the 1950s that of the 127 applications it received for six positions fully 103 had connections, it was forced to ignore all connections.[1176] Consequently, by 1979, and despite the importance of personal relations, just 6.5% of firms regarded connections as a selection criterion.[1177] By the 1990s, fewer than half of graduates sought jobs through alumni or placement office intermediation, mostly because companies were more likely to publicise their requirements to a wide range of universities.[1178]

Japan cannot be said to have had a milkround since companies did not visit campuses to interview and much recruitment was not open.[1179] However, almost all students have sought to secure work before graduation, to a degree unseen in Britain,

[1172] Azumi, *Higher Education and Business Recruitment* (1969), 55, 60, 93.
[1173] Ibid, 50-2.
[1174] AGCAS/23 (Japan and Hong Kong), 7.
[1175] Azumi, *Higher Education and Business Recruitment* (1969), 73.
[1176] Ibid, 105.
[1177] Jolivet, *L'Universite au Service de l'Economie Japonaise* (1985), 37.
[1178] Rebick, *Market for University Graduates in Japan* (1998), 9.
[1179] Weatherall, 'Placement Culture of Japan' (1991).

and hiring and vacancy decisions have typically been made up to a year in advance within a yearly cycle.[1180] This cycle has been fraying somewhat in recent years as year round hiring has developed.[1181]

[1180] Brennan et al, *The Employment of UK Graduates* (2001), 18; Rebick, *Market for University Graduates in Japan* (1998), 2.
[1181] JETRO, *Human Resource Guidebook* (2000), 7.

Chapter 7: Tools of Selection

Major F.A. Freeth recruited chemists for Brunner Mond before and after the creation of ICI in 1926. Despite his own research background, he eschewed methodology in recruitment and relied instead on university contacts, his own intuitions, plus a mixture of 'panache, genial hospitality, violent personal prejudice, snobbery', delivered with no regard for administrative niceties.[1182] He was a colourful representative of a traditional approach to recruitment that relied on the ability to apply life experience to spotting potential in young candidates. Personal qualities were not always apparent on the surface and so expert interviewers were required to identify the requisite subtleties that 'can only be detected by a skilful judge of character', making the process more 'an art rather than an exact science'.[1183] The weakness of this approach was that it required the intensive involvement of senior people, was especially unreliable when candidates came from different backgrounds than interviewers, and it was consequently hard to ensure consistency both between interviewers and over time. It could function adequately within limited and known parameters, but became unstable and inefficient as volumes grew and candidate sourcing widened.

The price of unpredictable selection was considerable: studies of the links between selection and productivity suggest that the difference in productivity between the top and bottom 15% of entrants can be a factor of two.[1184] The very expense of the recruitment process, and the costs created if ill-chosen entrants under-performed, argues for the

[1182] Reader, *Imperial Chemical Industries* (2 Vols., 1975), ii, 73.
[1183] BACIE, *Education for Management* (1928), 11.
[1184] Cook, *Personnel Selection* (1998), 2.

subject to be treated with seriousness. This chapter describes attempts to improve matters.

The alternative was to replace people with systems, and inspiration with bureaucracy. In the 1920s, the work of Freyd offered a normative framework for what became the classic model of selection: job analyses, followed by appropriate tests, and evaluation of results using performance benchmarks.[1185] This implied not only increased information-processing, but also focusing on the most relevant dimensions, and recording the resulting data as systematically as possible. Application forms represent this class of activity. Psychological testing is an extension of it since it attempts to measure only those attributes which are most crucial to predicting future performance.

Occupational psychology was the main discipline that sought to provide conceptual and evidential foundations for selection. It rose to prominence in the business world in an 'unusually favourable climate for expansion and innovation'.[1186] The war had provided unprecedented opportunities for applied psychologists, whose work had hitherto been largely an experimental backwater, to demonstrate their relevance to organisational issues and to develop wide-ranging contacts within government and business.[1187] The effect was that, by 1949, the National Institute for Industrial Psychology (NIIP – the leading organisation in the field) had gathered 243 subscribing corporate members from none in 1944.[1188]

However, the post-war period saw an increasing division between academic psychologists (for whom aptitude and vocational testing was scarcely respectable) and more pragmatic vocational/educational psychologists. The field had been led pre-war by

[1185] cited in Newton, 'Discourse and Agency' (1993), 6.
[1186] Shimmin & Wallis, *The Decade Around 1950* (1987), 12.
[1187] Ibid, 6, 13.
[1188] NIIP ARs.

the practitioners whose empiricist approach left them open to the charge of building 'elegant and dizzy numerical edifices, forgetting in their architectural zeal the flimsy foundations upon which their fabrics stand'.[1189] Methodological eclecticism was excused by the need to develop the subject, and one of the co-founders of NIIP thought that results were obtained 'not always through reason and intelligence' but often through unconscious workings of the mind guided by experience.[1190] As a new area of study and work, occupational psychologists needed to create a constituency supportive of their work and this sometimes involved hubris: 'This Cinderella of the sciences is destined to work transformations in human life...which will dwarf those wrought by the older sciences'.[1191] The packaging of insights into techniques, and the need to balance scientific rigour with acceptability to clients, could look faddish.[1192] A focus on 'giving away psychology' meant training personnel managers to deliver tests at the risk of compromising quality.[1193] This entrepreneurial approach provoked the hostility of men trained in the traditional sciences against this 'young science, a tentative science, and one which is making rather exaggerated claims'.[1194] Students could be 'allergic' to its unfamiliar methods too.[1195] Psychologists could retort that their imperfect constructions were nonetheless obviously better than the 'haphazard and unsystematic predictions of everyday life'.[1196]

[1189] Woolridge, *Measuring the Mind* (1994), 56; Prof. E.G. Chambers in 1943 in Hearnshaw, *A Short History of British Psychology* (1964), 109.
[1190] Myers in Doyle, 'Aspects of the Institutionalisation of British Psychology' (1979), 103.
[1191] Cattell, *Your Mind and Mine* (1934), 265-6.
[1192] Shimmin & Wallis, *Fifty Years of Occupational Psychology in Britain* (1994), 122; Vernon & Parry, *Personnel Selection* (1949), 42.
[1193] David Duncan (Interview).
[1194] Lord Elton in debate on Civil Service Selection Board procedures: *Hansard*, HOL Debates, Vol.155 No.76, 26/05/1948, 1058-9.
[1195] OUCS/3 (JWT), letter Escritt to TFS 25/05/1960.
[1196] Vernon & Parry, *Personnel Selection* (1949), 12-14.

For their part, academic psychologists sought to fill the theoretical gaps but not without difficulty and compromise. Both the NIIP and the Tavistock Institute (which helped Unilever, amongst others, to implement group selection) looked increasingly to government for their research funding and this had the inevitable result of distancing them from the concerns of recruiters.[1197] The perception of businessmen that the first big post-war government project of this type, the Human Factors Panel, was not a 'very practical and realistic one' led to the rejection of a request by the NIIP to participate in an official visit to study industrial success in America.[1198] In parallel, the more sophisticated methods, assumptions and focus of American psychology increasingly 'colonised' English university departments.[1199] Indeed, Hearnshaw ended his history of British psychology in 1940 due to the predominance of American methods thereafter. Not surprisingly, the American textbooks made little mention of British problems and achievements.[1200] In any case, students of work psychology showed increasing reluctance to be hired by business.[1201] The area of psychometric testing – the only area of professional expertise which occupational psychologists could call their own – was marginalised as a topic of study, and controversies over the role of heritability led to the whole area withdrawing behind a wall of informal censorship.[1202] When the NIIP's government research funding dried up in the 1970s, it found that its journal addressed mainly academics and that its links to practitioners were feeble.[1203] It collapsed in 1974,

[1197] Shimmin & Wallis, *Fifty Years* (1994), 112; Dicks, *Fifty Years of the Tavistock Clinic* (1970), 210-1.
[1198] FBI/200/F/3/T1/257, letter KB of British Employers Federation to Sir Norman Kipping 26/10/1950.
[1199] Hearnshaw, *A Short History of British Psychology* (1964), 284.
[1200] Shimmin & Wallis, *Fifty Years* (1994), 10, 109.
[1201] Ibid, 113.
[1202] BPS OPS Newletter No.11 (1979), 1; Cook, *Personnel Selection* (1998), 135.
[1203] NIIP/14/145, IB to TJH 15/04/1971; Interviews with David Duncan & Hans Hoxter.

leaving its more enterprising alumni to explore alternative means of selling their expertise.

Occupational psychology also divided into main tendencies. One tradition derives from a psychiatric perspective often linked in the UK to the Tavistock Institute, and has reacted to complexity by seeking models of mind and behaviour that might provide insight into whole personalities. Its holistic stance is reflected in a 1957 recruitment advert of Unilever, who were clients of Tavistock's: 'In the final analysis, however, it is not individual qualities which are important, but the man as a whole'.[1204] It criticised a more atomistic approach on the basis that 'Emphasis on sets of competencies can be counterproductive when they are disengaged from the whole person, especially if no account is taken of the role the person is going to play, the context in which that role will be played out and the way it is likely to develop over time'.[1205]

The other tradition of occupational psychology, associated until the 1970s with the NIIP, starts from the premise that, in the absence of guidance from a persuasive overall theory of personality, more local generalisations need to be derived from empirical investigation.[1206] This tradition has sought to reduce abstract skills, like leadership and judgement, to behavioural indicators of performance, and to identify quantifiable predictors that can be validated – i.e. tested statistically. It concludes that whilst whole person approaches have an intrinsic attractiveness, individual predictors offer explanatory power.[1207] Its spirit can be found in the work of Henry Chauncey, the father of Scholastic Aptitude Test (SAT) in the USA, on 'identifying and measuring some important factors that will be useful on an actuarial basis in the prediction of

[1204] DOG 1957 12.
[1205] Harvey et al, *Graduates Work* (1997), 28.
[1206] Reeve, *Validation of Selection Boards and Procedures* (1971), 2.
[1207] Eysenck, *Intelligence* (2000), ch.7.

success'.[1208] Despite a constructive and practical orientation, this body of work still leaves practitioners with problems. The degree to which variability between people can be explained (the R^2) is typically low and reflects the limitations of the empirical approach. The transferability of conclusions between positions, organisations, and over time, is also limited meaning that useful conclusions from any given study must be treated with caution and tested from time to time. Most significantly, perhaps, is that even achieving these circumscribed results is costly. For example, a move from a job analysis to a list of desirable personal attributes for that job involves: understanding what effective managers do in their specific roles; grouping tasks of jobs; inferring attributes needed for each group; and doing factor analysis to group similar ones. Each step requires a great deal of generalisation and inference, raising issues of procedural integrity.[1209]

Occupational psychology also found itself caught in ideological cross-currents. Until at least 1950, psychometricians lived in an uneasy alliance with the political left, with intelligence testing seen as a tool facilitating social mobility via the educational system. The introduction of psychological testing into the Army and Civil Service leadership selection was controversial with 'Tories attacking and Labour defending the new method because it sounded un-English and odd to the one and progressive to the other'.[1210] However, as Labour shifted its focus from individual opportunity towards a more egalitarian stance by the 1960s, conventional wisdom on the left came to

[1208] Lemann, *The Big Test* (1999), 89.
[1209] Hirsh & Bevan, *What Makes a Manager?* (1988), 84-5.
[1210] Thomas Balogh in Chapman & Greenaway, *The Dynamics of Administrative Reform* (1980), 170.

characterise psychologists as social conservatives justifying inequality, something that 'lacks both logical force and historical feeling' according to a historian of testing.[1211]

7.1. Specific Tools and Practice

The justification for formalised methods depended on the production of information that was both more relevant (i.e. throwing light on proven predictors of performance), but also offered a greater reliability of measurement. Unfortunately, there are trade offs between these two dimensions. So, whilst interviews are full of improvisations and informality, even their harshest of critics, such as Eysenck, admit that despite limited reliability and validity, recruiters would be 'daft' to refuse the chance to talk with a candidate.[1212] This is because much 'hard' information can be created only through discarding 'softer' but potentially more revealing data.[1213] Consequently, in surveying potential selection instruments, selectors need to consider several factors, including those displayed in Table 7.1, taken from a contemporary personnel selection textbook:

[1211] Woolridge, *Measuring the Mind* (1994), 164-5.
[1212] Sidney, 'Recruitment and Selection in Britain (1988), 14.
[1213] Mintzberg et al, *Strategy Safari* (1998), 71.

Table 7.1: Summary of key dimensions for eight selection methods:

Selection Method	Tries to Measure	Predictive Validity (typical scores)	Cost	Practical-ity	Acceptability	Legal Status
Graphology	Personality	V. low (zero)	Low	n.a.	n.a.	n.a.
Unstructured Interview	Personality	Low (0.14 to 0.47)	Medium /Low	High	High	Uncertain
Structured Interview	Personality	High (0.44 to 0.62)	High	?Limited	Untested	No problems
References	Personality character	Moderate (0.18 to 0.26)	V. Low	High	Medium	Some doubts
Biodata	Multiple factors	High (0.21 to 0.37)	High/ Low	High	Low	Some doubts
Ability Test	Intelligence	High (0.25 to 0.56)	Low	High	Low	Major Problems
Personality Test	Personality	Variable (-0.22 to +0.33)	Low	High	Low	Some doubts
Assessment Centre	Multiple Factors	High (0.37 to 0.43)	V. High	Fair	High	No problems

Source: Adapted from tables collating results from well known studies in occupational psychology in Cook, *Personnel Selection* (1998), 295-298.

Amongst these factors, the 'Holy Grail' for occupational psychologists has been predictive validity, namely the statistically demonstrated influence of selection techniques on the subsequent performance of employees.[1214]

In practice, though, validities were highly dependent on the rigour shown by practitioners. The coexistence of valid techniques with intuitive practices, could compromise validities. Ungerson thought this inevitable when personnel selection was a

[1214] Duncan, 'The Philosophy of the National Institute of Industrial Psychology' (1992).

matter where most men 'with little practice, no training and usually no knowledge of relevant research results, regard themselves as experts' and suggestions of fallibility were taken as an insult.[1215] Amateurs could be easily duped by irrelevant techniques – in one case a psychologist persuaded the large majority of 68 personnel managers to agree that some platitudinous (and identical) phrases were either 'amazingly accurate' or 'rather good' in describing them.[1216] Despite using costly group selection methods in the 1950s J&P Coats were apparently prepared to eliminate candidates on superficial grounds – one had asked an inconvenient question about nationalised mills in eastern Europe, another was assumed to be drunk when he tripped on the stairs, whilst two rowing competitors were eliminated when it was observed that they would not talk with each other.[1217] A 1996 entrant to United Biscuits was offered a job in the bar before completing the assessment exercises.[1218]

Recruiters have been accused on the one hand of over-cautiousness in adopting more valid selection tools, something attributed to 'chronic scepticism' about investment in human resources.[1219] On the other hand they have been described as suffering from 'too ready a tendency to snatch up bits and pieces of technique without first considering basic principles and being clear about the objectives'.[1220] There are cases like the group chairman at BET, who launched various new recruitment and selection initiatives after being bitten by 'instant management' in 1970.[1221] However, the more sophisticated

[1215] Ungerson, 'Selection of Senior Staff', (1959), 1.
[1216] Stagner, 'The Gullibility of Personnel Managers' (1958).
[1217] David Duncan (Interview).
[1218] OUCS Second Interview Questionnaire 1996.
[1219] Gill, 'Fairness and Accuracy' (1978), 6.
[1220] FBI/200/F/3/T2/4/1, Presentation to IMRA 29/04/1948.
[1221] APTB 10/11 (BET); Jenkins, *Companies' Use of Psychometric Testing* (2001), 22.

selection tools tended to limit fashion-based behaviour, if only because their high set-up and running costs attracted attention at board meetings.

But there are other forms of superficiality that might mean selection choices being made inappropriately and leaving weak commitment. Perhaps the biggest risk was making decisions without either gathering relevant information, or verifying whether tools were working after adoption. Performing useful validation studies probably requires minimum cohort samples of sixty, assuming a sufficient proportion of entrants remain long enough for relative performance to emerge.[1222] There are few organisations with that size of graduate entry. However, even at the more modest level of record-keeping regarding the performance of selection methods, only a minority of companies made efforts (just 13% of 288 in one 1980 survey).[1223]

Without forgetting that obtaining decent validities depended not only on deploying the form of selection techniques but respecting the substance by attention to detail, we may consider the spread of certain methods, and see to what extent business has excluded low validity ones and favoured better ones. For such information we largely depend on statements of companies themselves which may not always be fully representative. PEP's work on the 1950 cohort of graduates found discrepancies between which selection tools companies claimed to use and those that graduates actually experienced.[1224] An explanation may be found in the conclusions of a study in the early 1990s when similar differences were identified – companies were often using sophisticated tools only for some graduate entrants, whilst almost a quarter had entered

[1222] Johnson, 'Evaluating Selection procedures' (1988), 263ff.
[1223] Selection Research Group, *Studies of Selection in British Industry* (1981), 1; Gill, 'Fairness and Accuracy' (1978), 5; Jim Platt-Higgins (Interview).
[1224] PEP, *Graduates in Industry* (1957), 75, 85.

through ‘back-doors’ – sponsorships, research projects, or work experience schemes.[1225] Moreover, studies are almost always cross-sectional in nature and longitudinal data has to be inferred from studies with varying sample sizes and characteristics. Despite these caveats, some trends can be observed.

The first question is whether recruiters in Britain made use of methods such as graphology, which repeated study has shown to have no higher validity than chance. Despite the claim by one freelance graphologist in 1970 that ‘the number of firms who use graphology in confidence is considerable’, her main marketing claim was that it was employed extensively on the continent. Her target, Burton’s, dismissed her arguments abruptly, however, and refused to consider the method even experimentally.[1226] The personnel director at Burton’s at that time, Richard Stokes, could only think of a couple of companies (such as the London Rubber Company) who had ever tried the method and even they abandoned it.[1227] His impression is backed up by survey data – a 1963 survey found that less than 1% of companies used graphology.[1228] The same was true twenty-five years later when a study also found that all of those using the method were subsidiaries of continental companies.[1229] One early user was Warburg’s, the investment bank, but this was a personal predilection of the founder.[1230] Silence on the subject in most other surveys should probably be interpreted as the correct expectation of researchers that usage was not significant. By contrast, one source claims that 85% of the largest European companies, and 3,000 American companies, used graphology in the

[1225] Spaull, 'The Role of the Graduate in Industry' (1993), 153-4.
[1226] RSS/3: Correspondence Stokes/Spearman (1970).
[1227] Richard Stokes (Interview).
[1228] BIM ‘A Survey of Selection Methods in British Industry’ (1963).
[1229] Robertson & Makin, ‘Management Selection in Britain: A Survey and Critique’, (1986), 47.
[1230] Heald, *Networks* (1983), 138.

late 1980s.[1231] Certainly, British visitors to France and Germany were frequently amazed at its presence.[1232] However, by the 1990s, even companies in France – where more than half of large companies were using it – were dropping or restricting its applicability in the face of scientific criticism and a desire to harmonise practices across Europe.[1233] In 1987, just 2% of American companies admitted to using the method.[1234]

Around 1990, no fewer than 6% of French companies admitted to using astrology in selection. In Britain mentions of astrology – such as the request by a small Belgravia textile company for candidates whose birthdays fell only in the second half of the year – were invariably ironic.[1235] Strange methods *were* promoted to industrialists: the Laban Lawrence Personal Effort Assessment was presented to Management Research Group 1 in 1953 and involved 4-5 hours of observation of body language by assessors who needed three years of training.[1236] But managers were apparently unmoved by such curiosities. American managers may have been more liberal in outlook: when Gowin summarised his research on management development around 1918, he dedicated an entire chapter to discussing the possible benefits of phrenology, astrology, clairvoyance, podomancy, chirography, and heredity analysis in choosing future leaders.[1237]

Interviewing has been used by almost all companies for selection purposes from the 1930s onwards. Given the criticisms that have been made of interviews in the decades since, it is worth remembering that trying to manage without them was also problematic. The Civil Service, which had depended on purely written examinations since the reforms

[1231] Sutherland, *Irrationality* (1992), 167.
[1232] AGCAS, *Visit to European Employers* (1991) & (1993).
[1233] Ibid (1993); Bobinski & Donkin, 'Candidates for a Mystical Matrix', *Financial Times* (25/6/1997); Smith & Abrahamsen, 'Patterns of Selection in Six Countries', (1992), 206.
[1234] Endicott (1987), 14.
[1235] ISC1/19/3/151 (1975), 14.
[1236] MRG/1 'Selection Demonstration' (1953).
[1237] Gowin, *Selection and Training of the Business Executive* (1918), Ch.11.

of the 19th century, was felt by the Leathes Committee to be attracting too many 'crammers' or those 'not sufficiently men of the world' and recommended by way of correction short interviews to allow selectors to form a view of candidates' 'general address, good manners, brightness, interests in various things and sympathy'.[1238] They were not unique in imagining the improvements: one prominent careers writer reckoned that good interviewing meant that a manager 'will be able to learn more of [a candidate's] capabilities and fitness from a few minutes' conversation than from much correspondence'.[1239] Interviews certainly produced different results – the introduction of the Civil Service *viva voce* in 1920 led to almost a quarter of those who would previously have received high-flier places, on the basis of the written examination alone, being rejected.[1240] Interviewers, staff representatives and researchers all pointed to superficiality in technique and inconsistency in results.[1241] Yet interviews were not dropped, only adjusted, and frustrations with the deficiencies did not lead to abandonment.

Occupational psychologists and others became increasingly disillusioned with interviews, especially after 1945. Lord Cherwell thought that the interview 'selects men who are good at getting jobs but not men who are good at doing jobs'.[1242] A whole literature arose to explain the problems of ensuring consistent and useful results from interviewing in practice, and some believed that when judged by the test of validity, interviewing was a 'miserable failure'.[1243] Interviewers apparently did not assess each candidate independently; first impressions could carry disproportionate weight; they

[1238] Fry, *Statesmen in Disguise* (1969), 81; Kelsall, *Higher Civil Servants* (1955), 67.
[1239] Williams, *Careers for Our Sons*, 428-9.
[1240] Kelsall, *Higher Civil Servants* (1955), 79.
[1241] Ibid, 73-4; Barberis, 'Permanent Secretaries in the British Civil Service' (1989), 131.
[1242] *Hansard*, HOL Debates, Vol.155 No.76, 26/05/1948, 1080.
[1243] Herriot, *Down from the Ivory Tower* (1984), 69.

favoured candidates like themselves; interviews tended to match candidates to stereotypes of an ideal; job profiles were often misleading; major errors appeared in inferring behavioural data to general characteristics; past results were over-attributed to character alone when they resulted from interactions with environment.[1244] These unconscious biases were hard to correct, and surveys of multiple studies found that statistical predictors of performance were almost invariably superior to human judgements.[1245] Moreover, the more complex a decision, the greater the methodological latitude given to interviewers, and the greater the reliance placed upon human judgement, the more likely the decision is to be taken irrationally.[1246]

But knowledge of the problem by the 1940s allowed steps to be taken against the risks of uncontrolled interviewing.[1247] Public criticisms of interviews by panels (even in the 1930s FW Lawe of Harrods reckoned 'It is a bad method') was probably enough to encourage its disappearance over time.[1248] Simple sensitivity to the fact that most candidates were neither very good nor bad could focus attention on the scrutiny of average candidates. Most importantly, studies suggested that training of interviewers could improve results by encouraging them to study relevant information beforehand, reduce interviewee nervousness, try to judge candidates independently and against fixed criteria, and be aware of the bewitchments of mere appearance.[1249] Such training spread: 17% of companies in a 1948 survey claimed to do so, whilst by 1991 88% firms claimed to train all staff involved in selection, and 9% a part).[1250]

[1244] Ibid, , 70-72; Sutherland, *Irrationality* (1992), 192ff.
[1245] Vernon, *Intelligence and Attainment Tests* (1960); Sutherland, *Irrationality* (1992), Ch.20.
[1246] Sutherland, *Irrationality* (1992), 4.
[1247] Vernon & Parry, *Personnel Selection*, 14-20; Urwick, *Management of Tomorrow*, 185-7.
[1248] APTB 14/13, piece 48.
[1249] Vernon & Parry, *Personnel Selection* (1949), 143, 163.
[1250] Watson, 'Selection in Industry' (July 1948), 5; IRS, 'The State of Selection' (1991), 9.

Inter-war research was also the foundation of perhaps the most influential guide for interviewers: the Seven Point Plan. This was written in 1934 (although only published in 1952) as a synthesis of lessons learned by the NIIP about why people failed in their jobs.[1251] These were health reasons; lack of appropriate education; too little or too much intelligence; lack of particular skills; outside interests that were too strong; faults of disposition or temperament; and circumstances beyond anyone's control. By focusing interviewers onto reasons why candidates might *not* be appropriate for the respective position it aimed to avoided an idealistic view of needs.[1252] Successful people seemed to share only the characteristic of lacking marked failure features.[1253] There were other approaches (e.g. Munro's Fivefold Framework for selection and the 'People, Ideas, Things' system), but it was the Seven Point Plan that was most influential: 45% of companies claimed to use in 1963.[1254] A survey in 1970 found that 42% of firms were using an external interviewing checklist, whilst another 25% had created one internally.[1255] It has been pointed out that systems designed for all interviewing situations could offer little subtlety for managerial recruitment, but even so it provided some kind of standard to constrain purely intuitive methods.[1256]

Structured interviewing emerged as an improvement on unstructured approaches. It made use of standardised questions, formats and procedures, and produces higher predictive validity than other looser forms.[1257] By the late 1990s, about 70% of firms

[1251] ISC1/19/3/151 (1975), 3.
[1252] Rodger & Rawling, *The Seven Point Plan* (1985), v-vii.
[1253] Ibid, 3.
[1254] BPS OPS Newsletter No.3 (1977), 10; FBI/200/F/4/65/1 (1949), 59; BIM 'A Survey of Selection Methods in British Industry' (1963), 13.
[1255] BIM, *Selecting Managers* (1971), 15.
[1256] BPS OPS Newsletter No.5 (1977), 2.
[1257] Cook, *Personnel Selection* (1998), 47.

claimed to be using structured interviewing in recruiting graduates.[1258] Such approaches may be tailored – the retail group Kingfisher trained their interviewers in a system called 'Potentia' created by consultants to complement a new high-flier scheme in 1994/5.[1259]

Apart from noting the spread in interviewer training, the use of checklists and structured methods, it is hard to measure whether interviewing quality improved significantly. Talking to a personnel managers' conference in 1976, Bernard Ungerson felt that warnings about interviews made in the 1940s were still not fully heeded: 'we had apparently ignored this evidence... [and] go on wasting vast sums of money by engaging unsatisfactory employees and rejecting better ones'.[1260] But the basis for this statement is itself impressionistic and neither is there evidence to tell us that things were done better abroad.

[1258] IRS, 'The Business of Selection' (1999), 5.
[1259] OUCS/3 (Kingfisher), letter CF to MJD 03/11/1994.
[1260] *Personnel Management* (December 1972), 3.

7.2 Psychological Testing and Assessment Centres

Intelligence and aptitude tests have a much better record in terms of validity than interviews. Ghiselli's 1973 survey of surveys covering fifty years, as well as subsequent meta-analysis, suggest that several categories of tests, when used well, can be useful in predicting future professional success, especially for higher level jobs.[1261] That validity is circumscribed, but not negated, by inevitable difficulties in ensuring that all candidates start from an equal basis of test and examination familiarity, and that the tests verify cognitive capacity rather than cumulated knowledge. Tests may predict training success better than job performance but, by almost any measure, tests are more reliable, valid, and fairer than interviews or other selection instruments.[1262]

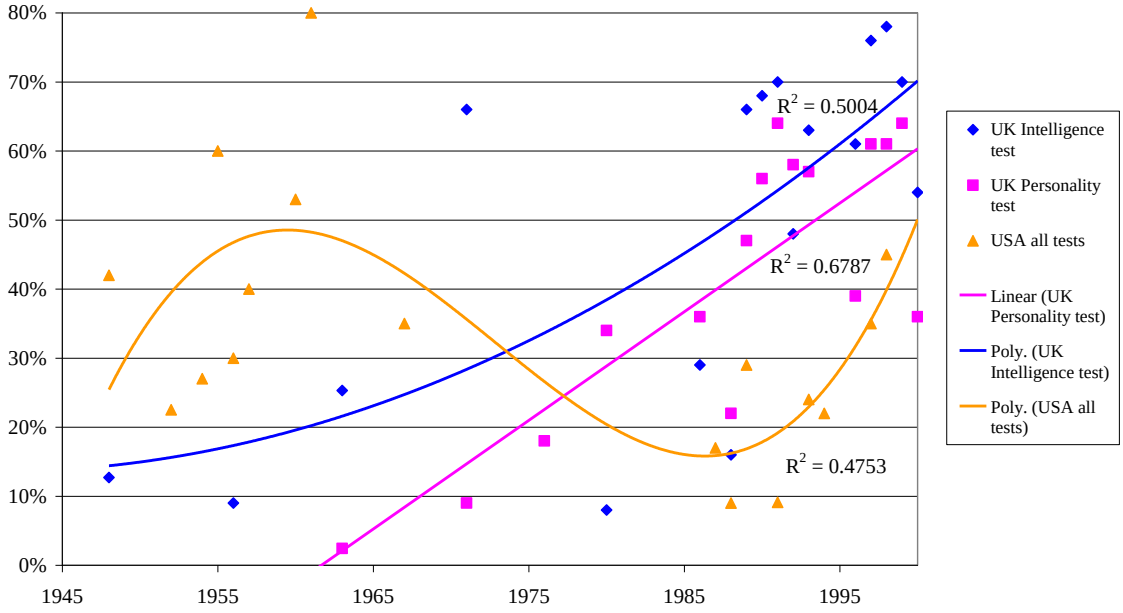
The introduction of intelligence testing to Britain took place through the need of local government to select bright young people for scholarships to secondary schools. The appointment by London County Council of a psychologist (Cyril Burt) in 1913 marked the beginnings of official sponsorship of testing. Burt's 11+ tests appeared in Bradford in 1919 and, by 1936, the Board of Education recommended it for national use. The 1938 Spens Report was sufficiently impressed to support tests as a means to sort children into different 'streams', which later became a principle of the 1944 Education Act. The inter-war period also saw interest in the use of tests to identify junior employees for positions like salesmen, wireless operators, production operatives, and typists. In her 1928 survey, Stott identified only one higher level job for which a

[1261] Ghiselli, 'The Validity of Aptitude Tests in Personnel Selection' (1973), 468.
[1262] Holdsworth, *Personnel Selection Testing: A Guide for Managers* (1972), 46.

selection test existed, and that was to test the reaction times of ships' officers to emergencies.[1263] But they came to occupy a particular niche in the selection of apprentices and trainees of various types, as exemplified by the work in Edinburgh for the printing and allied trades from 1931.[1264] Pilkington's also brought in the NIIP in 1933 to study clerical recruitment, selection and training, and had them advise on, and implement, management trainee selection.[1265] By 1939, testing for personnel selection and vocational guidance were both established as active branches of industrial psychology, despite considerable 'ignorance' and even 'antagonism' from the side of some industrialists.[1266] The war years, from 1941 onwards, saw an enormous expansion of psychological testing for the allocation of all levels of service personnel, and officers noted with particular interest that although psychological tests 'at first sight seem gibberish...the men themselves believe in them. This has an enormous psychological effect on making men contented and keen at their work'.[1267] That experience ensured that after 1945 testing was retained, even if growth in usage was slow. Offsetting greater acceptance of the method was the fact that where young people were short in supply, recruitment rather than selection was the key priority.

[1263] Stott MB, *Vocational Guidance and Vocational Selection* (1928), 41.
[1264] Shimmin & Wallis, *Fifty Years* (1994), 10.
[1265] Barker, *The Glassmakers* (1977), 336.
[1266] Memo from BS Rowntree to LS Hearnshaw, cited in Shimmin & Wallis, *Fifty Years* (1994), 6.
[1267] Crang, 'A Social History of the British Army 1939-45' (1992), 33-4.

Figure 7.1: The proportion of companies in various surveys stating that they use intelligence/cognitive tests or personality tests



Sources: **UK data**: Watson, 'Selection in Industry' (1948), 5; PEP, *Graduate Employment* (1956), 76; BIM 'A Survey of Selection Methods in British Industry' (1963), 16-19; Miller & Hydes (1971), cited in Selection Research Group 'Studies of Selection in British Industry' (1981), 27; Gill D. *Selecting Managers* (1980); Robertson & Makin, 'Management Selection in Britain: A Survey and Critique', (1986); Bevan and Fryatt, *Employee Selection in the UK* (1988); Mabey, 'The Majority of Large Companies Use Occupational Tests' (1989), 1-4; Mabey, 'The Growth of Test Use', (1992); Shackleton & Newell, 'Management Selection: A Comparative Survey of Methods Used in Top British and French Companies (1991); IRS, 'The State of Selection' (1991) and (1997), and 'The Business of Selection' (1999); Hodgkinson and Payne, 'Graduate Selection in Three European Countries' (1998); CIPD, *Recruitment Survey Report 4* (2000). **US data**: NICB, *College Graduates in Industry* (1948), 3; NICB, *Experience with Psychological Tests* (1948), 4; Whyte, *The Organization Man* (1956), 192; PPF, *The Executive* (1956), 5; NICB, *Employment of the College Graduate* (1956), 20; Ward, 'Putting Executives to the Test' (1960), 12; Packard, *The Pyramid Climbers* (1962), 55; Holloway, 'Placement Offices in North American Universities' (1968), 28; Valleau, 'Management Succession and Preselection' (1967), 156; PPF, *Recruitment and Selection Procedures* (1988), 17; Mercer, *Turning Your HR Department into a Profit Center* (1989), 202; Cook, *Personnel Selection* (1998), 19; Perez, 'Recruiting, Interviewing and Hiring of Executive Trainees' (1999), 157; Harvard Business School, *Hiring and Keeping the Best People* (2002), 52. Data is cross-sectional not longitudinal in nature, so sampling bases, definitions and methodologies vary between data points.

The best-fit line in Figure 7.1, though, may be misleading since anecdotally the period between 1965 and 1980 seems to have been one of relative stagnation. Two commentators of the overall situation in 1976 and 1980 reckoned that test usage had not

changed significantly for a decade.[1268] Indeed, some traditional users were dropping tests – for example Imperial Tobacco in 1966 and Ford in 1971.[1269] Ford did so after they 'decided that there was insufficient evidence that the tests had any predictive value'. The atmosphere for testing then was gloomy: uncertainty about how testing could avoid 'adverse impact' accusations in the USA demolished much of the activity there after the 1971 Griggs vs. Duke Power ruling, and others thereafter.[1270] From then on, British levels of test usage were higher than in the USA. However, even many occupational psychologists had come to believe that intelligence testing might be futile, and the claims regarding possible fabrications by Cyril Burt further demoralised the profession.[1271] Findings at company level were not positive either: researchers in the 1960s and 1970s found that there was an 'increasing use by industry of tests for which no evidence of reliability or validity has been provided' and that untrained personnel were administering tests.[1272] A 1972 survey of graduate recruiters by SCOEG found that 42 organisations were using a total of 45 different psychological tests and, not surprisingly, there was some confusion and lack of expertise in using them all.[1273] Of this plethora of tests, remarkably few had been designed or modified for the British candidate groups being tested.[1274]

These pessimistic conclusions of the 1970s could be seen as a condemnation or as an invitation to entrepreneurs. The main author of the 'Selection Research Group' report, Roger Holdsworth, who had been research director at the NIIP, made his view

[1268] Sneath et al, 'Testing People at Work' (1976), 30; Gill, *Selecting Managers* (1980).
[1269] APTB 10/8 (Imperial Tobacco), 24/08/1966; Ford 2 ('Ford and the Graduate – Philosophy' 1977).
[1270] Arthur, *Recruiting, Interviewing, Selecting & Orienting New Employees* (1991), 206-8.
[1271] Cook, *Personnel Selection* (1998), 97, 105-6.
[1272] NIIP/14/22, Meeting Note 11/09/1974, 1; NIIP/14/24, RBB to TB 21/01/1969.
[1273] AGCAS/22 (Dean TE, memo to SCOEG members 31/05/1974).
[1274] Selection Research Group, *Studies of Selection in British Industry* (1981), 29.

clear by jointly creating SHL in 1977. This subsequently became the dominant force in commercial testing. The second largest firm, ASE, was formed shortly afterwards. Moreover, by the 1980s, academic psychology had rediscovered the empirical underpinnings of 'g' – the general factor of intelligence – and meta-analysis showed that pessimism about the usefulness of testing had been overstated.[1275] Both the academic and professional branches of work psychology have grown steadily, especially from the 1970s.[1276] Whereas in 1970 the number of consulting firms was scarcely in double figures, by 1993 there were well over 200, driven by a renewed focus on sharing theoretical insights with organisations.[1277] Annual testing revenues grew to £100 million by the late 1990s.[1278] Firms like Barclays in the 1980s, or Jaguar/Land Rover and accounting firms in the 1990s, began to depend more on test results than degree results for indications of intellectual potential.[1279]

Lack of data limits useful comparisons with developments on the continent. Locke reckoned that British inter-war efforts in industrial psychology were weaker than those of GKW in Germany, and the same was true in military applications as well.[1280] Post-war, the French public sector had an excellent reputation in psychometric research and testing but those efforts apparently dissipated over time, and British psychologists have speculated about the less rigorous and real-world nature of work in selection research.[1281] Around 1990, sources differ on whether French companies were slightly more, or much less likely, to use cognitive tests, but German testing was generally

[1275] Cook, *Personnel Selection* (1998), xi; Brand, *The G Factor* (1996), 177-180.
[1276] Shimmin & Wallis, *Fifty Years* (1994), 126-7.
[1277] Ibid, 119, 131.
[1278] Jenkins, *Companies' Use of Psychometric Testing* (2001), table 9 (annex).
[1279] Roger Ellis (Interview); KPMG, 'Routes into Business and Management' (2003); Jaguar and Land Rover, 'Routes into Business and Management' (2003); OUCS/3 (PWC), visit note TL 22/09/1998.
[1280] Locke, *The End of the Practical Man* (1984), 284; Adam note May 1941 WO32/9814.
[1281] Shimmin, 'Selection in a European Context' (1989), 112-3; Cherns, 'Culture and Values', in Nicholson & Walls (eds.), *The Theory and Practice of Organisational Psychology* (1982), 21-3.

agreed to be lower.[1282] Italian testing was minimal, since selection tests were forbidden by a 1970 law.[1283]

American experience is both better documented and more dramatic. The American Army was the world pioneer in mass intelligence testing and it processed 1.75 million recruits during the First World War, albeit rather haphazardly, and used the results to select most of its officer corps. In the 1920s, there may have been American admirers of British industrial psychology, but scale and enthusiasm was on the side of the USA and, after 1930, America led Europe for decades.[1284] During the Second World War no fewer than nine million recruits were tested.[1285] Post-war, a 1948 survey could identify 428 companies who used psychological tests, of which 126 before 1941.[1286] By 1956, Lock estimated that up to twenty million people were being tested yearly, an activity which helped the rapid growth in psychologists generally and consulting work psychologists in particular.[1287] American companies in 1956 were about twice as likely to use psychological tests as British ones in 1963.[1288] Yet, as mentioned, this huge activity had largely disappeared by the late 1970s. With time, testing re-established its claim to seriousness consideration, but the recovery in use was muted.[1289]

As Table 7.1 showed, tests of personality have typically showed less validity than tests of intelligence. In principle, testing intelligence is simpler because the general factor 'g' links all the subsidiary forms of intelligence, whereas the same is not the case

[1282] Smith & Abrahamsen, 'Patterns of Selection in Six Countries', (1992), 206; Cook, *Personnel Selection* (1998), 24; Mitchell, *Selection and Career Development of Graduates* (1991), 5.
[1283] Shimmin, 'Selection in a European Context' (1989), 113.
[1284] Shimmin & Wallis, *Fifty Years* (1994), 5; Cook, *Personnel Selection* (1998), 13.
[1285] Coakley, *Army Days 1942-5* (1987).
[1286] NICB, *Experience with Psychological Tests* (1948), 4.
[1287] Lock, *The Use of Tests in Selection Procedure* (1956), 5; Graduate School of Business Administration, *Executive Selection* (1959), 11; NICB, *Company Programmes of Executive Development* (1950), 12; Gill, 'Fairness and Accuracy' (1978), 6.
[1288] IOM/1 'A Survey of Selection Methods in British Industry' (1963), 16.
[1289] Byham, 'What is an Assessment Centre?'(1996).

with personality, meaning that tests need rescaling for each type of job.[1290] However, given the existence of other proxies for intelligence, and the known deficiencies of interviewing as a guide to character, psychologists have sought tests that, combined with tests of intelligence, could offer a greater total predictive value than an ability test alone.[1291] This impulse meant that Henry Chauncey spent years investigating attempts to gauge personality: he tried and discarded tests of creativity, of practical judgement and of persistence, as well as Rorschach blots and graphology.[1292] Post-war, the Educational Testing Service, which hosted SAT, offered a reluctant institutional home to the popular Myers-Briggs Type Indicator, based on Jungian categories and designed by someone with no psychological training.[1293] ETS also planned to create a Personality Research Centre to investigate what made for a successful executive – focusing on Ideas, Things, Men and Economic Symbols.[1294] The problem was that many early tests provided mixed signals: executives who got high 'steadiness' scores in the Personal Audit test could score badly on 'stability' in the Thurstone test. Some who scored high on 'contentment' scored badly on 'tranquillity'.[1295] Consequently, for a long time personality tests were useful primarily to identify people with extreme scores for, say, neuroticism.[1296] It took time until demanding recruiters such as the Civil Service were prepared to consider using tests based on better demonstrated personality dimensions.[1297] SHL's OPQ test – perhaps the most popular of this new generation – appeared in 1984. In that context, the

[1290] Jenkins, *Companies' Use of Psychometric Testing* (2001), 30.
[1291] Cook, *Personnel Selection* (1998), 125-7.
[1292] Lemann, *The Big Test* (1999), 86.
[1293] Ibid, 91.
[1294] Ibid, 92-93.
[1295] Whyte, *The Organization Man* (1956), 218-220.
[1296] Cook, *Personnel Selection* (1998), 151, 161.
[1297] John Dukes (Interview).

initially cautious adoption pattern by business, then rapid uptake, is a sign of appropriate prudence.

Perhaps the most famous innovation in applied psychology was a method of combining multiple selection techniques for the purpose of selecting leaders, initially called 'group selection' in Britain, but subsequently referred to as 'assessment centres' after American practice. Names can be misleading: despite a common label, there is no such entity as an 'assessment centre' (which refers to the building where group selection exercises were performed at AT&T) but only a variety of attempts at combining discrete selection tools into a meaningful whole. In tracking the usage of assessment centres, the signs we look for are: assessment of candidates in groups, for a short and intense period of a day or two; several assessors working together; multiple methods of assessment; at least some use of group exercises, whether they be discussions or purposive games to stimulate the display of relevant behaviours; a final assessment done through a review of evidence by individual assessors, and then through a harmonisation of overall scores.[1298] The definition used to identify assessment centres, from information gathered for the database, also required both interviews and a cognitive test to be present. One American pioneer reckoned that the most important feature was that analysis relates not to current performance but to that expected in the future.[1299] That future focus makes the technique both relevant but also challenging. The assumption that behaviour at a selection event can be extrapolated into the future implies both that behaviour is representative (despite the peculiarity of the situation) and that personality is fairly constant, or at least reasonable predictable in its trajectory. The procedure has been challenged on both

[1298] Herriot, *Down from the Ivory Tower* (1984), 83-4.
[1299] Byham, 'What is an Assessment Centre?'(1996).

counts. This also explains why assessment centres have almost never – since the war – been used for the selection of people under university age, although Unilever did try a simple version in the 1950s for its junior leadership programme.

Despite their ambition and complexity, assessment centres have been amongst the most predictively valid of procedures when used conscientiously. Indeed, follow-up studies of managers undergoing group selection (after twenty and thirty years in the case of the Civil Service and after eight and twenty years at AT&T) found that predictive value increased over time, suggesting particular value in selecting future executives.[1300] Moreover, since the Civil Service retained a parallel entry through written examination alone until 1969, assessment centres methods were shown to be superior in a direct comparison with another plausible method. When the government asked them in 1968, universities were overwhelmingly in favour of scrapping the written version.[1301] An official report, in 1968, approvingly claimed that 'no other post-war development in the field of selection, particularly in selection for management and administration, has had so strong and so pervasive an influence'.[1302] A meta-analysis of fifty studies and 220 validity coefficients of assessment centre validity by Thornton produced an estimated overall predictive validity of 0.37, and other work has quantified the significant financial gains produced.[1303] Whilst there are differentials in performance at assessment centre by gender, race and age, American courts have repeatedly endorsed the method as fairer than other methods, and have even mandated its use.[1304] Perhaps best of all, from a

[1300] Anstey, 'The Civil Service Administrative Class and the Diplomatic Service (1966); Anstey, 'A 30 Year Follow-Up of the CSSB Procedure' (1977); Byham, 'What is an Assessment Centre?'(1996).
[1301] Fry, *The Administrative 'Revolution' in Whitehall* (1981), 151.
[1302] Chapman, *Leadership in the Civil Service* (1984), 149.
[1303] Byham, 'What is an Assessment Centre?'(1996).
[1304] Ibid.

recruiter's perspective, candidates themselves are typically pleased to be assessed in this way and resent rejection less than when this takes place after only an interview.[1305]

A risk in calculating validities is that since selection data may be used to decide on early promotions, the result may become a self-fulfilling prophecy. However, in the one case where a company did not use assessment data in this way – at AT&T in their thirteen years Management Progress Study – the validities were still high. The ultimate test of selection is to know how those who were rejected would have performed, especially since early users of group selection like Rowntree found that were no significant differences between selectees and rejectees as regards test scores, schooling, service career or interests.[1306] A follow-up study of candidates seeking high-flier positions in the Civil Service immediately after the war found that twenty years later the rejectees had been as successful overall as those accepted, but the closer those 'unsuccessfuls' came to entry the more likely they were to have had successful careers so far.[1307] In any case, time and the renewed interest in assessment centres from the 1970s may have helped the spread of practices conducive to higher validities: when Higgs checked several centres used in the financial sector in the late 1980s he found that they 'exhibit similar predictive and face validities to those found in sectors covered by the published research'.[1308]

Transferring and maintaining expertise and validities earned largely in the state sector to the private sector was a fragile process because satisfactory reliability and validity depends on the use of standard techniques, applied uniformly by trained and

[1305] Gapper, 'Warning: That Staff Assessment Can Alter Effort and Attitude', *Financial Times* (7/1/1989), 5.
[1306] Macrae, *Group Selection Procedures* (1975), 12.
[1307] BA1/75 85.
[1308] Higgs, *Management Development Strategy* (1988), 10.

experienced personnel, and regularly revalidated.[1309] Selection systems have high situational specificity and apparently minor differences between systems can yield very different outcomes, especially when the sources of assessment centres are still not well understood.[1310] Indeed, studies in both the Police and Navy – who had largely copied other systems – were rather discouraging.[1311] Nonetheless, in 1965, BAT had been using group selection for seventeen years without any attempt at validation, still basing themselves on similarities between what they sought in young manager candidates and Army officer selection.[1312] When Bernard Ungerson introduced group selection to Littlewoods in the 1960s he tried to save time by using a personality test originated by Sears in America, and found that it performed badly.[1313] He warned other commercial organisations who tried to 'free ride' on the work of the Civil Service, or AT&T in America, to beware of false confidence in copying their methods.[1314] Ungerson was not the only experienced user who feared what he called 'almost frighteningly high' 'face validity' – in other words that the experience itself was sufficiently satisfying for all involved that actual consistency and precision might be ignored.[1315]

Unilever reduced the extent of testing and even removed psychologists from their long-standing programme for a time, making a Civil Service visitor around 1990 feel that the system had become 'lousy'.[1316] An extensive internal review in 1994 reckoned that 'The present selection-board system is ... incapable of identifying future senior

[1309] Vernon & Parry, *Personnel Selection* (1949), 126-7.
[1310] Selection Research Group, *Studies of Selection in British Industry* (1981), 57; Jenkins, *Companies' Use of Psychometric Testing* (2001), 32.
[1311] Feltham, 'Validity of a Police Assessment Centre - a 19 Year Follow-up' (1988); Gardner & Williams, 'A 25 year Follow-up of an Extended Interview Selection Procedure in the Royal Navy' (1973).
[1312] Brolly, 'The Criterion Problem in Selection and Guidance' (1965), 89.
[1313] IARC, 'Assessing Management Potential' (1971), 80.
[1314] Gill et al, *Performance Appraisal in Perspective* (1973), 108.
[1315] Ungerson, 'Army Selection Boards' (1974), 12.
[1316] *Committee of Enquiry into Method 2* (1969); John Dukes (Interview).

managers'., and called for the wholesale replacement of the system.[1317] Reform, not removal, was the result, but considering that this debate took place within one of the oldest British users of assessment centres, it underlines that successful usage depended on eternal alertness.

The assessment centre method was created for officer selection during the war, replacing older intuitive and inefficient practices, and its success was such that the Civil Service adopted it for the selection of high-fliers from 1947. Private firms considered it for civilian use from 1944 and, in December 1945, ICI was the first to make use of it for recruiting young managers, followed in due course by Cadburys, Rowntree, J&P Coats, Dunlop, Hoover, John Lewis Partnership, Philips, Pilkington's and Unilever.[1318] The NIIP was active in assisting this development and, by 1950, had organised at least fifty 'selection board' events for companies.[1319]

Widespread interest led the educational committee of the Federation of British Industries to promote the idea of a nationwide scheme to be called the 'Industrial Selection Board', which would have been administered by a psychologist with experience in both the Army and Civil Service.[1320] A group of leading companies were invited to observe the Civil Service version in 1947, and then some demonstration events were organised for those interested to watch candidates being processed for Anglo-Iranian, Tube Investments, Boots, Courtaulds, Dunlop, and Metropolitan-Vickers. Recruiters concluded, however, that they were ready neither to fund a collective scheme nor keen to use the Civil Service facilities on a third-party basis.[1321]

[1317] *Final report of UCMDS*, 8, 15; Martin Duffell (Interview).
[1318] Higham TM, 'Some Recent Work with Group Selection Techniques' (1952), 169.
[1319] Fraser, 'New Type Selection Boards', (1950), 40.
[1320] FBI/200/F/3/T1/345.
[1321] FBI/200/F/3/T2/4/1.

Although group selection did persist in places, the story told for the last thirty years in the relevant literature is that beyond its use in the Civil Service there was little other development of the technique in Britain until the late 1970s. By contrast, American experimentation from the 1950s led to a boom in use from the late 1960s, and the subsequent export of assessment methods back to Britain.[1322] There are examples of companies who dropped the method – Imperial Tobacco did so in 1966, and a 1984 survey identified ten companies who had previously dropped it, mostly for cost-effectiveness reasons.[1323] Of 376 firms who claimed to be using assessment centres in 1992, just seven said they had done so before 1976.[1324] A much cited study by Gill, Ungerson and Thakur, in 1973, found that just seventeen firms from 360 surveyed had used, or were considering, assessment centres.[1325] As for those firms who did use the method after the 1950s, psychologists warned that they were 'usually used at the wrong time and in the wrong place by the wrong people'.[1326] In 1971, three of those involved in wartime developments warned against proliferation of the technique on the grounds that the dangers of misapplication were too high and that it was more useful to concentrate on improving simpler methods.[1327] Perhaps not surprisingly, in this context, when the idea of a 'National Assessment Centre' was mooted in the late 1970s by a joint careers service – recruiter taskforce, it got nowhere.[1328] One observer in the 1980s wondered why British industry 'has never taken up that most successful application of psychology in working life..', to which a practitioner answers that 'not untypically, Britain having

[1322] Higgs, *Management Development Strategy* (1988), 40; Moses & Byham, *Applying the Assessment Center Method* (1977); SHL, *Guidelines for Best Practice* (2001), 5; McLeod, 'Assessment Centres' (1988), 189; Gill et al, *Performance Appraisal in Perspective* (1973), 48-9.
[1323] APTB 10/8 (Imperial Tobacco); Bridges, 'Assessment Centres' (1984), 80.
[1324] Correspondence with Sean Boyle.
[1325] Gill et al, *Performance Appraisal in Perspective* (1973), 49.
[1326] Isbister, 'This Abysmal Way We Choose a Man for a Job', *The Times* (24/11/1988).
[1327] IARC, 'Assessing Management Potential' (1971), 73-75.
[1328] AGCAS/10 (Conference Report 1977), Selection Research Project by KLW.

played a part in pioneering this kind of approach, seems to have been rather slow in adopting it'.[1329]

Other evidence, however, suggests that usage continued but often went unrecorded. One of the promoters of the Federation of British Industry national assessment scheme was convinced that, although it ultimately failed, it nonetheless 'had a substantial effect on the selection methods of British employers'.[1330] The NIIP found enough interest to produce a manual for clients on group selection procedures in 1962, then a published version in 1967, a second edition 1970, and a reprint in 1975.[1331] It offered third party assessment centre assistance and had constant activity in this area until at least the late 1960s.[1332]

Some companies appeared to drop the method but actually retained it. The best example is ICI, who abolished their central 'Panel' in 1968 as part of a decentralisation policy. However, it appears that individual units such as the Paints, Billingham, and possibly Mond, divisions continued to use it for part of their graduate intakes.[1333] A major survey on selection by the Institute of Management, in 1963, found no fewer than 45 firms (19% of 249 respondents) claiming to use group selection procedures. The survey staff wondered whether firms may have suffered from terminological confusions, but their data also shows high usage of assessment exercises like group discussions as well as intelligence tests.[1334] It was especially used for selecting graduates.[1335] Regrettably, the follow-up surveys in 1971 and 1980 explicitly excluded selection

[1329] IOM, 'Effective Executive Selection and Recruitment' (1985), 1; Fletcher, 'Assessment Centres' (1982), 42.
[1330] Tennyson, *Stars and Markets* (1957), 191.
[1331] Macrae, *Group Selection Procedures* (1975).
[1332] NIIP ARs; NIIP/12/34.
[1333] Keith Bell (Interview).
[1334] BIM 'A Survey of Selection Methods in British Industry' (1963), 3.
[1335] Ibid, 15-16.

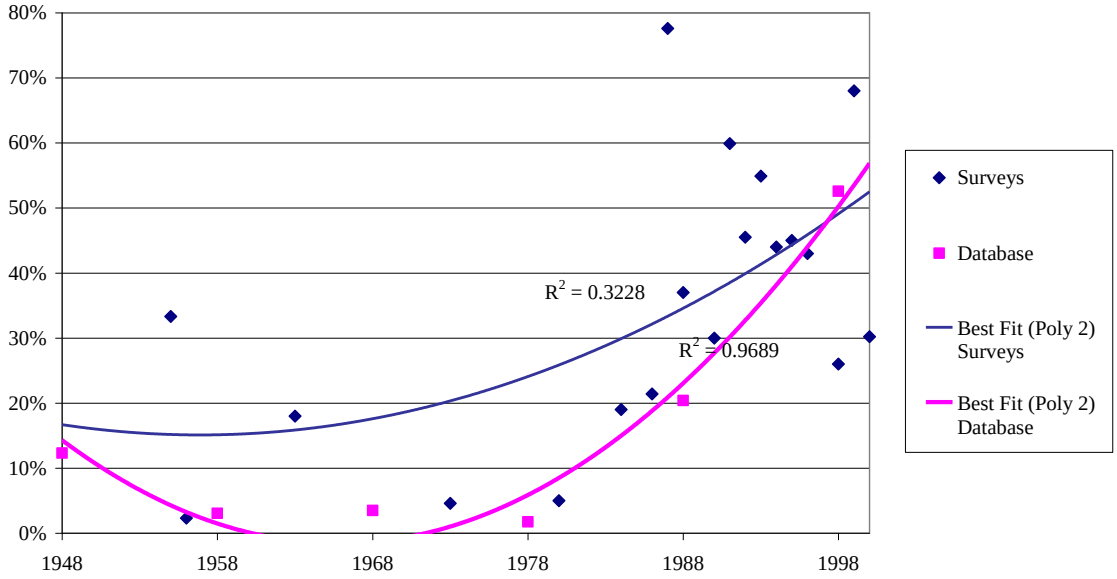
instruments directed at graduate or junior manager entrants and reported usage of assessment centres dropped dramatically.[1336] Likewise, the Gill, Ungerson and Thakur study only asked about usage of assessment centres for post-entry staff appraisal and, not surprisingly, found low penetration.[1337]

Apart from specific exclusion from surveys, what explains apparent under-recording? Unlike the American case, users were surprisingly coy about sharing their experience in using the method: in the late 1940s, it took two years for ICI and Unilever to become aware of each others efforts.[1338] Despite his prominence in personnel circles, Bernard Ungerson admitted that whilst it was possible other firms were using assessment centres, he neither discovered, nor tried to discover, who they might be.[1339] One long-time manager (and recruiter) at Procter & Gamble only became aware of assessment centre work in other organisations once he left the company.[1340] Despite its leading role in assessment centre research and practice, the Civil Service Selection Board was rarely visited by commercial organisations during the twenty years of John Dukes' work there.[1341] Part of the informational problem is that whereas a booming literature on the new methods (a 1955 literature review found no fewer than eighty references to group selection) provide good coverage of experimenters in the 1940s the twenty period between, say, 1955 and 1975 saw much less coverage of what was no longer newsworthy.[1342] Consequently, good data on the spread of assessment centres in

[1336] BIM, *Selecting Managers* (1971) & Gill, *Selecting Managers* (1980).
[1337] Gill et al, *Performance Appraisal in Perspective* (1973)
[1338] FBI/200/F/3/T1/197 (1948), Transcript of conference, 10.
[1339] Bernard Ungerson (Interview).
[1340] Michael Rae (Interview).
[1341] John Dukes (Interview).
[1342] Levy-Leboyer cited in Macrae, *Group Selection Procedures* (1975), 3, 17.

Britain is lacking before the 1980s. Figure 7.2 shows measures of individual company usage.

Figure 7.2: The proportion of companies in various surveys stating that they make use of assessment centres; the proportion of database companies recruiting graduates observed to use assessment centres



Survey data from: BIM, *The Recruitment and Training of Men Intended for Management Positions* (1955), 47; PEP, *Graduate Employment* (1956), 76; BIM 'A Survey of Selection Methods in British Industry' (1963), 16-19; Gill et al, *Performance Appraisal in Perspective* (1973); Gill, *Selecting Managers* (1980); Bridges, 'Assessment Centres: Their Uses in Industry in Great Britain' (1984); Robertson & Makin, 'Management Selection in Britain: A Survey and Critique' (1986); Newton, *Survey of Employers Use of Selection Centres'* (1987); Mabey, 'The Majority of Large Companies Use Occupational Tests' (1989), 1-4; Shackleton & Newell, 'Management Selection: A Comparative Survey of Methods Used in Top British and French Companies (1991); IRS, 'The State of Selection' (1991), and (1997), and 'The Business of Selection' (1999); Boyle et al, 'The Rise of the Assessment Centre' (1993); AGR, *Briefing 4: Assessment Centres* (1993); Keenan, 'Graduate Recruitment in Britain' (1995); Hodgkinson and Payne, 'Graduate Selection in Three European Countries' (1998); CIPD, *Recruitment Survey Report 4* (2000). Data is cross-sectional not longitudinal in nature, so sampling bases, definitions and methodologies vary between data points. **Database data from**: five-year periods around dates marked in figure – specific records (total = 326 positive observations), of individual firms using assessment centres, or using sufficient sub-components to make it very likely. Data sources as per Figure A.7 in Appendix 1.

The pattern revealed confirms a drop in usage after immediate post-war enthusiasm and until the late 1970s but nonetheless not a disappearance. Thereafter, there is little controversy that penetration of the method grew strongly until the present, at least amongst the medium and large firms who form the target of most surveys. The best fit

lines trace quite separate levels for that middle phase as well, not least because data before 1980 is drawn from small samples or depends on unclear definitions. The methodology used to identify the number of database recruiter using assessment centres requires positive observations of usage, whether a mention in correspondence with careers services or the testimony of those recruited. Unilever's methods were sufficiently famous that a clear record of continuous usage from 1946 to date can be found.[1343] But, in the case of large companies such as Mars, they may or may not have used the method actively between observations in 1948 and 1970.[1344] Shell was mentioned as a user in a 1968 government report, but it was not being used in 1974 for high flier entrants, yet appears again by 1987.[1345]

Placing the overall selection story into international context is relatively simple in relation to continental Europe. Unilever tried to introduce group selection to their Dutch company after 1945, but the less structured academic cycle meant that they had to deal with a constant trickle of candidates, rather than whole cohorts, and selection was returned to ad hoc interviewing committees of two senior managers with a selection expert.[1346] It was only around 1990 that assessment centres, as well as intelligence and personality tests, came into general use for graduate selection.[1347] In both Germany and France, assessment centre procedures appeared relatively late and had lower penetration than in the UK.[1348] In Germany, no more than sixteen firms could be identified using the

[1343] My database of assessment centre usage includes observations of Unilever definitely using the procedure in 1947, 1948, 1955, 1957, 1960, 1969, 1970, 1984, 1988, 1991, 1997, 1998, 2000. There are no signs or discussions of interruptions.
[1344] Jim Platt-Higgins (Interview).
[1345] Andy Gibb (Interview).
[1346] Wilson, *The History of Unilever*, (3 Vols., 1970), iii, 50.
[1347] AGCAS, *Visit to European Employers* (1991).
[1348] Cook, *Personnel Selection* (1998), 24.

method in 1980, whereas by 1989 more than fifty were doing so.[1349] Assessment centres have been used in Japan since at least the late 1970s, and may even have been used to select lower grades of staff, but data on usage is limited.[1350]

In the USA, there had been some wartime experimentation with group selection by the OSS (forerunner of the CIA) based on an adaptation of British Army methods. But after 1945, and with the exception of some trials of leaderless discussions in the public sector, little was done of a practical nature until 1956.[1351] In discussing this topic in a book published by the American Management Association in 1957, on management selection, those interested were referred to British experience.[1352] In the early 1960s, some corporate psychologists formed a study group to discuss results emerging from AT&T, and their numbers swelled after the first results were published in 1964. Even so, by 1969, just twelve organisations had tried assessment centre. Following an article in *Harvard Business Review* by another pioneer at JC Penney, and the formation of the first consulting boutique dedicated to this subject, users grew to perhaps 150 firms, including IBM, GE, Shell USA, Merrill Lynch, and Ford.[1353] American approaches also began to spread abroad.[1354] Many of these procedures focused, though, more on existing employees than on graduate recruits.[1355] The evolution after this initial boom is unclear. A recent survey found that about half of 573 surveyed companies used assessment

[1349] Correspondence with Heinz Hartmann
[1350] Gill, 'Fairness and Accuracy' (1978), 6; AGR, *Briefing 4: Assessment Centres* (1993), 11.
[1351] Moses & Byham, *Applying the Assessment Center Method* (1977), 9; Barrett, 'Guide to Using Psychological Tests' (1961), 59-65.
[1352] Dooher & Marting, *Selection of Management Personnel* (1957), 343.
[1353] Gill et al, *Performance Appraisal in Perspective* (1973), 48; Bray, 'Centered on Assessment' (2001); Moses & Byham, *Applying the Assessment Center Method* (1977), 32-4.
[1354] Bass & Burger, *Assessment of Managers* (1979), 19-25; McDonnell, 'Management Assessment Centres' (1973), 36-8.
[1355] PPF, *Recruitment and Selection Procedures* (1988), 17.

exercises or tests sometimes for some categories of staff.[1356] A career service guide for students at the University of Pennsylvania, though, makes less reference to assessment centre methods than would be the case in Britain, noting that group interviews or a problem-solving exercise might be experienced 'occasionally'.[1357] In a study of 34 leading graduate recruiters in the USA in 1996, just two used assessment centres, both of them units of Unilever.[1358] This suggests that assessment centres may have become less prominent as a graduate recruitment/selection tool in the USA than in the UK.

The evidence regarding the penetration of the various selection tools outlined above is that British firms do not have a worse record in selection than their counterparts abroad. It is hard to draw any particular conclusions about interviewing quality and its evolution, other than noting the complexity of the task and that some efforts were made. However, the avoidance of low validity tools like graphology in Britain, and the positive stance regarding intelligence testing and assessment centres, are in principle worthy of recognition.

[1356] Rioux & Bernthal, 'Recruitment and Selection Practices' (1999), 3; Bernthal, 'Recruitment and Selection' (2002), 5.
[1357] University of Pennsylvania, *The Career Services Manual* (2000), 28.
[1358] Graham & Craigie, *Insights in Graduate Recruitment* (1996), 61-64.

Chapter 8: The Streaming and Development of Talent

By the inter-war period, the improved sorting ability of the educational system began to present a challenge to established ways of integrating young people within companies. This chapter describes how business responded by improving streaming and training, and the effects this had on retention.

Before the 1930s, employers had typically taken young men from school 'moulding and training them in the intricacies of their business over a long period, slowly adding to their responsibilities and avoiding risks wherever possible'.[1359] Initial training was designed to weed out the 'spineless and idle' through the repeated performance of low-level tasks as much as impart knowledge, although this might break the 'souls' and 'hearts' of entrants whose dynamism might have been valuable subsequently.[1360] Depending on the company there might be exceptions to this pattern – relatives of the owners and directors or those whose parents paid a lump sum ('premium') for several years of training. This premium compensated firms for the initially low productivity of such entrants and encouraged trainees to treat the training period with full seriousness. Such exceptions were only haphazardly linked to advancing talent though.

[1359] CUCS, *History of the Cambridge University Careers Service* (2002), 5.
[1360] ISC1/11 16/06/1937 7; APTB 10/4 153 (J&P Coats); Laborde, *Choosing a Career* (1935), 43.

Table 8.1 Total cost to parents of young people gaining qualifications to enter various occupations, including an allowance until a living wage is earned, 1930s

Price	Training	Careers Possible
£1,000 - 1,500	3-4 years at Oxbridge; possibly one year's study abroad	Home and Indian Civil Services, Diplomatic Service; engineering and scientific research; medicine; Bar; farming if need capital
£750 - 1,000	Possibly 3-4 years Oxbridge, or London medical degree	Home Civil Service; teaching; scientific work; graduate trainee in business; medicine; Holy Orders (can get support)
£500 – 750	Professions needing premium plus 4-5 years of articles. Live at home during training. Possibly provincial degree.	Premiums: Solicitor; architect; Chartered accountant. Degree: Dentist, vet, accountant; architect; surveyor; auctioneer; engineer
£250 - 500	Provincial degree if live at home. Professions offering reduced premium for more talented. Traineeship for school-leavers	Surveyor; accountant; auctioneer; engineer Management trainee in business
£0 – 250	Possibly engineering apprenticeship. Evening classes.	Engineer. Clerkships in banking, insurance, wholesale or retail house, stock broking, advertising, transport.
If poor but clever	Scholarship to university	Those requiring degree but not premium
'Side doors'	E.g. Save money to enter Bar whilst doing solicitor's articles E.g. Enter scientific research via laboratory assistant position	

Source: Rubie, *Round Pegs* (1935), 109-111.

Young people found that, in the words of one prominent careers adviser, 'In the ultimate result financial circumstances are the deciding factor [in choosing a career], for a boy cannot give rein to his inclinations if the means are not available for the appropriate training'.[1361] Howard Rubie's 1935 'price list' of careers is indicative of the expenses involved after a secondary education.

Doubtless scholarships and 'side doors' did allow some bright and ambitious people to enter the professions of their choice. Lord Cole, the son of a clerk who ran Unilever

[1361] Hughes, *Careers for Our Sons* (1928), v.

between 1960 and 1970, was such a case.[1362] But, even when bright young people did enter business, application of their energy and creativity could be deferred or extinguished by boredom. The founder of the Littlewoods organisation, John Moores, worried about this in a 1950s speech and noted that in most organisations men reached executive positions when they were 45-50 years old and soon began thinking of retirement, whereas he wanted to shift the achievement of that rank to 35 by launching a management training scheme.[1363] Ambitious people must be retained, and this made it crucial for firms to 'give the best boys good prospects, so that they would not only come into commerce and industry, but stay in because it was worthwhile'.[1364]

To attract the best educated young people, companies needed to make progress on three dimensions. Firstly, to offer entry to a separate stream which provided a short-cut to higher levels earlier on; then to open this stream to all those of talent, regardless of financial capacity; and avoid offending or antagonising other categories of employees. In principle, success at these tasks should be observable in retention rates.

[1362] Bauer, *Class on the Brain* (1997), 7.
[1363] Clegg, *The Man Who Made Littlewoods* (1993), 158.
[1364] Sir Francis Goodenough 'Careers for Public School Boys', *The Times* 10/03/1932.

8.1 Streaming of Entrants

One important source of inspiration in approaching these challenges was provided by government. Largely through the use of open examinations, the Indian and Home Civil Services, as well as the armed forces, had managed to attract graduates and others of high quality to their ranks.[1365] After the war, the state directly encouraged the emergence of structured training schemes as part of demobilisation and promoted the largest of all through the Ministry of Labour's 'Business Training Scheme' which subsidised the training of about 7,000 ex-officers at technical college and then inside companies. Of the 2,000 firms who participated, it is reckoned that 1,900 had never before considered such a scheme.[1366]

The main attraction of a separate stream of entry for good candidates was a vision of subsequent career progression. At Unilever, the limited management training scheme from 1928 had a specific and ambitious target – to develop future main board directors by placing a handful of graduates, mostly from Oxford and Cambridge, as protégés of subsidiary company chairmen.[1367] After the war, however, and as numbers increased, the scheme expanded to offer training to candidates who might only reach the level of subsidiary company boards – i.e. upper-middle management.[1368] This tendency continued so that, in the 1960s, even the practice of keeping a record of 'strong passes' who might meet the old criterion, was dropped due to inconsistent results. By the 1980s, though, a more selective approach reappeared and a Unilever spokesman reported that

[1365] Hicks, 'Psychological Testing' (1999).
[1366] BIM, *The Recruitment and Training of Men* (1955), 5; Tennyson, *Stars and Markets* (1957), 189.
[1367] Keeble, *The Ability to Manage* (1992), 144-5.
[1368] Martin Duffell (Interview).

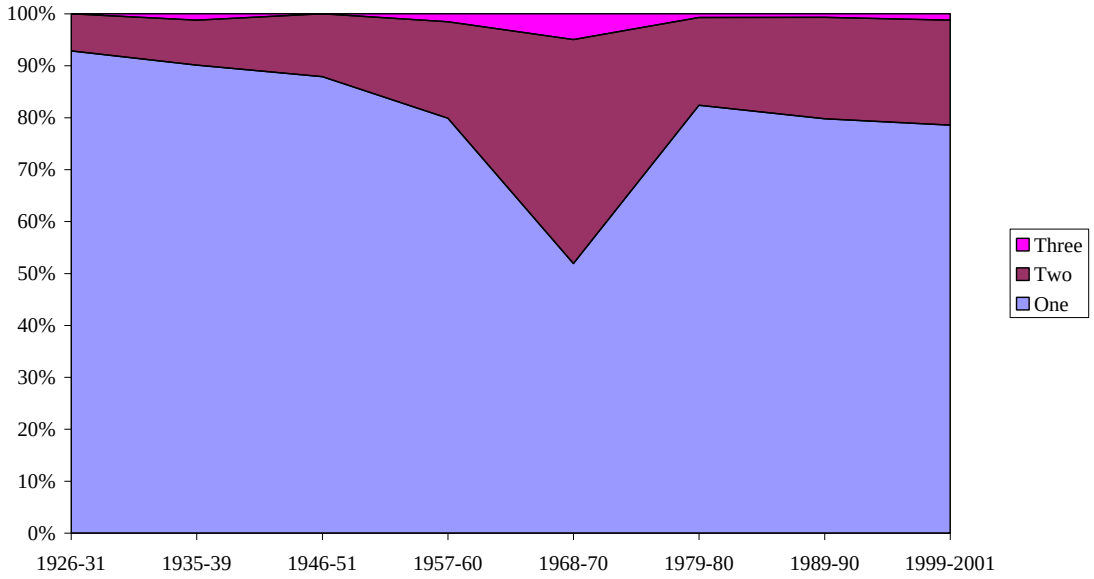
'by and large we don't want people who are going to stay in middle management jobs, we want high flyers moving through because the world is moving so fast'.[1369] At Ford UK, in the period 1971-1991, there was a target that graduate recruits should reach a specific management grade within five years.

Firms needed to decide how inclusive to make any given stream and how many streams of entry to have. High entry standards, and some exclusivity, are attractive to many of the most able candidates, whereas industries offering only undemanding streams, such as banking and insurance until the 1960s, risked being ignored.[1370] However, limiting graduate entry only to those who met the highest standards excluded candidates who might become competent lower level managers. Before the war, anything other than 'high-flier' graduates were typically unwelcome, though, since graduate recruitment was often controversial: 'To do well is essential; there is for the graduate no half-way house between success and failure'[1371] However, after the war, careers advisers and recruiters alike tried to shake off 'the notion that the "University trainee" is a specialised, graded hot-house product' and to make room for the entry of 'the mediocre man, the good packhorse' as well as the high-flier.[1372] The growing numbers of graduates from the 1960s, and the inevitable widening of ability differentials between them led to increasing diversity in the kind of positions to which graduates might aspire. One 1990s analysis tried to capture this diversity by differentiating between six types of graduate jobs within the labour market: 'trad grads' (i.e. traditional high-flier type positions); 'gradual graduates'; 'new knowledge workers'; 'new

[1369] Harvey et al, *Graduates Work* (1997), 5; Unilever 1 ('UCMDS Fundamental Review' 1994), 8.
[1370] RIS/1: 'Why Engineering?' (1977), 28.
[1371] Roberts, *Careers for University Men* (1914), 8.
[1372] Escritt, 'Educational and Industrial ladders' (1948), 85; APTB10/29 (Unilever) May 1972 WPK; FBI/200/F/4/65/1 (1949), 57.

persuaders'; 'carers with credentials'; 'McGrad jobs'.[1373] However, as Figure 8.1 suggests, explicit differentiation peaked in the boom before 1970, with not quite half of companies having more than one graduate stream, and fell off thereafter to around a quarter of recruiters.

Figure 8.1 Percentage of database companies indicating recruitment of one, two or three separate streams of graduate entry at various sample dates



Source: Streams distinguished primarily based on declarations in recruitment advertisements but modified where needed to maintain consistency. Where unclear, assumed to be single entry.

The numbers of streams overall, though, was greater, since, apart from graduate entrants, there were often separate streams for A-level entrants and those with other qualifications. Streaming often also occurred when nationally recruited graduates were treated differently than those taken on by subsidiaries. For example, Lucas was targeting high-fliers by launching a corporate-wide trainee scheme in 1989 to complement existing local recruitment.[1374] Likewise, functional tracks might have different

[1373] Purcell et al, *Working Out?* (1999), vi.
[1374] Dave Griffiths (Interview).

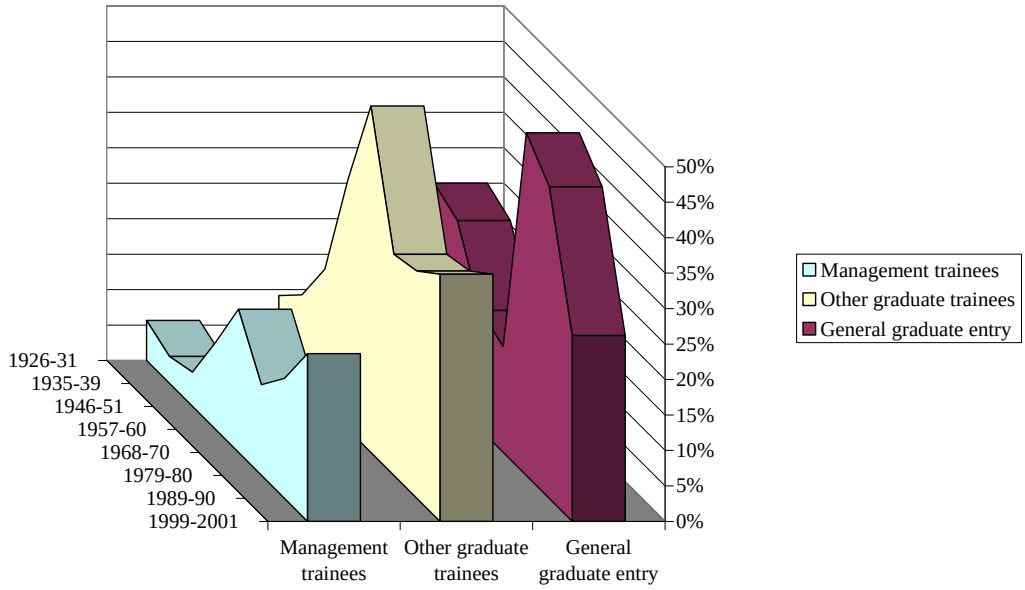
promotion rates, such as at Merck when management and specialist routes were differentiated or as at P&G where entry to marketing roles was seen as more exclusive than in five other business areas.[1375]

However, not all streaming appears in the form of a scheme, and not all schemes are what they appear to be. In the 1950s, observers noted that much of the increase in management traineeships was due to simple reclassification of identical vacancies, while the term itself could encompass anything from the trainee charge hand up to the highly qualified young trainee brought in with definite prospects for the assumption of top managerial responsibilities'.[1376] This led to discrepancies between what companies said and what their graduates reported, with some unsure whether they were trainees or not.[1377]

My attempt to reduce this subjectivity by checking the meaning of individual advertised training schemes can only partially ameliorate these various caveats. Nonetheless, certain trends do emerge. From the late nineteenth century onwards the number of companies streaming entrants, often into structured training schemes for the more able, increased consistently until around 1970. One study of 3,300 managers found that whereas about 5% of those born in 1895-99 entered as trainees almost 20% of those born in 1920-4 did so.[1378] Figure 8.2 provides a measure of recruitment by streams from the 1920s.

[1375] Sadler, 'Gold Collar Workers' (1994), 31; Michael Rae (Interview).
[1376] ULCAS AR (1951); BIM, *The Recruitment and Training of Men* (1955), 8.
[1377] Collins et al, *The Arts Graduate in Industry* (1962), 41; CEDT, *Early Careers of Graduates* (1986), 150.
[1378] Acton Society Trust, *Management Succession* (1956), 18.

FIGURE 8.2 Percentage of database companies indicating that they recruit graduates into particular streams



Source: Streams distinguished clinically primarily based on declarations in recruitment advertisements, but modified where needed to maintain consistency. Where unclear, assumed to be single entry.

This occurred both in manufacturing and in services. The engineering institutes encouraged this by giving exemptions from their examinations to those with academic qualifications.[1379] An early mover was Metropolitan-Vickers (British Westinghouse until 1917) which offered a separate entry for the educated, without premium, from at least 1911. After the war it offered 'college apprenticeships' for technical graduates with training in the areas of manufacturing, design and sales lasting two years and by 1921 it had 100 college apprentices, 100 school apprentices (who entered between 16-18 years of age) and 800 trade apprentices.[1380] The purpose of the training was 'to equip them to undertake positions of responsibility'.[1381] Following on from the earlier graduate hiring

[1379] Sanderson, *Education and Economic Decline* (1999), 69.
[1380] Keeble, *The Ability to Manage* (1992), 127-8.
[1381] *The Journal of Careers*, Vol. V, No.6 (February 1926), 9.

practices of Lever Bros., Unilever launched its management scheme in 1928 and, despite teething troubles, had few failures.[1382] Textile firms, like Whitworth & Mitchell, followed them in taking entrants 'to train for executive responsibility'.[1383] The Gas, Light & Coke Company introduced sales apprenticeships for school leavers from private schools in late 1920s that involved four years of evening classes.[1384] ICI included commercial trainees in its 1927 scheme for public schools, although this was later suppressed and reappeared only in a two-year graduate version from 1937.[1385] In the early 1930s, Pilkingtons, Rowntree, United Steel Companies, and others helped to make management training schemes 'quite fashionable' amongst large firms.[1386]

Basing themselves primarily on a Cambridge Careers Service survey (the Spens Report) of 326 companies in 1938, both Keeble and Hannah conclude that no more than twenty British firms can be identified as having had a formal graduate training scheme by the 1930s.[1387] They are supported by a BACIE investigation in the 1920s which found the number of employers taking arts side public school boys or graduates 'as apprentices for higher positions' 'is very small, and, generally their experience ... [at] experimental stage'.[1388] Eight years later, ES Byng, a vice-chairman of STC, stated that the 'number of trainee schemes actually in operation is totally inadequate to the scale of British industry'.[1389]

[1382] Wilson, *The History of Unilever* (3 Vols., 1970), iii, 48; Keeble, *The Ability to Manage* (1992), 144.
[1383] *The Journal of Careers*, Vol. XXI, No.228 (April-May 1943), 111; No.233 (February-March 1944), 317.
[1384] Keeble, *The Ability to Manage* (1992), 130-1.
[1385] Reader, *Imperial Chemical Industries* (2 Vols., 1975), ii, 74-6; Keeble, *The Ability to Manage* (1992), 134-6.
[1386] Barker, *The Glassmakers* (1977), 331-4; Keeble, *The Ability to Manage* (1992), 133-139.
[1387] Keeble, *The Ability to Manage* (1992), 141; Hannah, *The Rise of the Corporate Economy* (1983), 88.
[1388] Rostron, *Education for Higher Positions in Commerce* (1929), 7.
[1389] *The Journal of Careers*, Vol. XVI, No.172 (March 1937), 137.

There is, however, a problem with concluding that British business was peculiarly backward based only on the evidence mentioned above, and not only because survey data are patchy. Many of the best business career opportunities were abroad, in companies that Jones has described extensively.[1390] Roberts mentioned that commercial firms working in the Far East represented the Cambridge CAS's first main breakthrough into the business community and since 1907 'the field has increased with great rapidity' and 'the higher the status of the firm, the more anxious it is to obtain university men'.[1391] Such positions were attractive, perhaps one reason why more business jobs were arranged abroad than at home in the 1920s by Oxford's Appointments Board.[1392]

Keeble and Hannah, as well as contemporaries, place their prime emphasis on an analysis of manufacturing industry. But many of the best opportunities for those educated to the age of 18, or graduates, were in service occupations. Insurance companies like Prudential, had introduced the concept of 'apprentice agents', and had organised their clerks into 'classes' from about 1880, based on the example of London's Metropolitan Board of Works.[1393] Lloyds Bank experimented with a special graduate stream both before and after 1914, allowing employees with high ability to get special experience for accelerated promotion.[1394] Likewise, in retailing, large department stores like Harrods (1922), Selfridges (1922), and John Lewis (1926) were prominent in seeking potential managers, followed in the 1930s by chain stores like Marks and Spencer.[1395] Some schemes designed to accelerate the creation of managers were not labelled as such, and focused instead on trainees' technical preparation. Engineering,

[1390] Jones, *British Multinational Banking* (1993); Jones, *Merchants to Multinationals* (2000).
[1391] Roberts, *Careers for University Men* (1914), 9.
[1392] E.g. in John Swires and Sons.
[1393] Dennett, *A Sense of Security* (1998), 233, 82-7.
[1394] Winton, *Lloyds Bank* (1982), 41; 84-85.
[1395] Lawe FW in APTB 14/1, piece 7, 1-2; Rees, *St. Michael* (1969), 91.

steel and textiles firms, as well as utilities, all developed such schemes.[1396] Finally, by considering only *graduate* recruitment, the efforts of companies to provide training programmes, managerial and otherwise, to eighteen year olds from public and grammar schools are marginalised. In manufacturing, the Keeble and Hannah approach ignores the frequently found combination of a scheme for technical graduates with an entry for eighteen year olds on the commercial side. Taking into account the observations above, even an incomplete reanalysis suggests that eighteen year olds and graduates in the 1930s were faced with at least sixty companies offering training intended to bring them to managerial posts earlier than their less educated peers.[1397] These were the core of those who employed the 'many staff managers of firms possessing university training schemes' encountered by the University of Manchester careers head at the Confederation of Management Associations in 1937.[1398]

Businesses themselves were not put off the idea of streaming and schemes by early mistakes. Instead they created improved versions post-war based on a pooling of experience, including through Management Research Groups.[1399] Companies, like ICI, who had several false starts in training schemes, felt it worthwhile to continue their efforts and described one failure to a collaborating school as merely 'an interesting experiment' rather than evidence that the idea itself was faulty.[1400]

The war itself, and its immediate aftermath, provided a great boost to management training with the Ministry of Labour promoting schemes to firms who were often

[1396] Wilson, *British Business History* (1995), 41; Erickson, *British Industrialists* (1986), 42; Keeble, *The Ability to Manage* (1992), 127.
[1397] Estimated from details in the database.
[1398] UMCAS AR (1937).
[1399] MRG/4 'Trainee Selection' (1949).
[1400] ICI official to Eton, Reader, *Imperial Chemical Industries* (2 Vols., 1975), ii, 74-6.

'surprised with the quality which they got'.[1401] Various companies, such as Littlewoods and ICI, studied and planned schemes long before the fighting stopped.[1402] Amongst large firms represented at an FBI conference, more than half claimed to have structured schemes, and all but a handful expected graduates to reach senior positions.[1403] This latter claim was true even if only some graduates were initially recruited as management trainees – Oxford vacancy data from 1949 found just 182 out of 1,077 business positions of this type.[1404] Few firms post-war seem to have dropped their schemes due to perceived failure – a marked difference from the pre-war period.[1405] Instead, like Unilever, firms retained the basic principles but 'reviewed, amended and updated...' the details to keep schemes attractive and useful.[1406]

Although the late 1960s saw the highest proportion of companies advertising trainee schemes of all types, including those focused on management, the same period saw some doubts regarding explicit streaming, partly due to student sentiment.[1407] Unilever took steps to eliminate the elitist image of its main scheme to avoid contradicting this 'modern ethos'.[1408] Likewise, Plessey Components thought of merging its recruitment needs into a single entry stream, while the early 1970s saw Metal Box hiring graduates as foremen whose elevation from that role would depend on performance.[1409] These throwbacks to earlier times remained, however, only as long as demand for graduates was relatively depressed, and separation between different entries of graduates

[1401] Transcript of Conference, FBI/200/F/3/T1/197 (1948), 33.
[1402] Clegg, *The Man Who Made Littlewoods* (1993), 159; Reader, *Imperial Chemical Industries* (2 Vols., 1975), ii, 311; Vera Bowles (Interview); Keeble, *The Ability to Manage* (1992), 126.
[1403] FBI/200/F/4/65/1 (1949), 81.
[1404] FBI/200/F/3/T1/247 (1947-53), OUAC Survey for FBI 07/01/1950.
[1405] Collins et al, *The Arts Graduate in Industry* (1962), 33.
[1406] Final report of UCMDS fundamental review working party, Appendix I.
[1407] Prentice, *The Employment of Graduates* (1976), xiv.
[1408] APTB 10/29 (Unilever) Sept 1973 WPK.
[1409] APTB 10/8; SCOEG Executive Committee Minutes, Meeting 07/06/1972.

reasserted itself in the 1980s with companies such as IBM UK abandoning their 'one status' policy in favour of functional and divisional distinctions.[1410] Although the possibility of a self-fulfilling prophecy makes it difficult to be certain, organisations in both the UK and USA found that fast-trackers both gained a disproportionate number of senior managerial posts and showed superior performance at senior levels, implying that early selection could be useful.[1411]

US firms appear to have had the closest experience to that of the UK, with significant minorities of graduates being recruited as management and other trainees. National City Bank launched such a special one year 'College Training Program' in 1915 in which graduates rotated between departments.[1412] Pennsylvania Railroad had a similar 'special apprenticeships scheme' for 'bright young men of good parentage' who had been vouched for by an incumbent manager.[1413] Interwar schemes experienced problems and cast doubt on the idea, but companies like Sears Roebuck who persisted found that the results post-war were more positive.[1414] However, in at least one firm, a 'crown prince' scheme had created so much alienation that even twenty years later (in 1950) top executives were still heavily opposed to the idea.[1415] In parallel with the post-war expansion of recruitment, around 1950, about two-thirds of firms with over 1,000 employees and 40% of smaller ones had special trainee programmes for college graduates, with about one-third of non-engineering students entering as general business

[1410] Brian Hyde (Interview).
[1411] Acton Society Trust, *Training and Promotion in Nationalised Industry* (1951), 31; Bass & Burger, *Assessment of Managers* (1979), 51.
[1412] Jones, *British Multinational Banking* (1993), 172.
[1413] McGuffie, *Working in Metal* (1985), 81-2.
[1414] Valleau, 'Management Succession and Preselection' (1967), 43-4.
[1415] Ibid, 42.

trainees. [1416] This trend continued into the early 1960s where anything between 25-50% of large companies claimed to have management traineeships, mostly for college graduates.[1417] Such schemes were accompanied by company expectations of, and appropriate policies for, executive promotion from within.[1418] The late 1960s and 1970s saw a period of scepticism about structured training schemes, but thereafter there was a revival.[1419] The USA seems to have had the same debates about the relative merits of academic as opposed to practical preparation of graduate management candidates, with GE and Ford for example reaching different conclusions.[1420]

A severe elitism in the education system in France often led to special career tracks for *cadres*, especially in state-owned firms and private firms as they bureaucratised.[1421] For example, in IBM France a management track had been seen as the 'royal way' but by the early 1990s professional tracks were converging in status.[1422] However, insofar as many firms automatically gave their graduate entrants the title of *cadres* with excellent prospects, there may not have been a need for an accelerated promotion scheme, as was the case at Banque Indosuez.[1423]

Germany has been characterised by a more cautious attitude towards explicit streaming but it can still be traced within firms like Unilever, with trainees recruited to a central scheme expected to go further than direct entrants recruited by subsidiaries. Until

[1416] AACP, *Education for Management* (1951), 19; NICB, *College Graduates in Industry* (1948), 7; PPF, *Recruiting College Graduates* (1951), 13; Endicott Survey (1950), 25.
[1417] Endicott Survey (1960); Odiorne & Hann, *Effective College Recruiting* (1961), 99; PPF, *Management Trainee Programs* (1963), 2.
[1418] PPF, *Executive Development* (1952), 6; Valleau, 'Management Succession and Preselection' (1967), 27.
[1419] BJH/11: 'Placement Offices in North American Universities' (1968), 13; APTB 19/5, piece 7 (Visit to USA 1964); Perez, 'Recruiting, Interviewing and Hiring of Executive Trainees' (1999), 118.
[1420] Whyte, *The Organization Man* (1956), 121, 124, 139-140.
[1421] Boltanski, *Cadres in French Society* (1987), 134.
[1422] Mitchell, *Selection and Career Development of Graduates* (1991), annex.
[1423] Boltanski, *Cadres in French Society* (1987), 184; AGCAS, *Visit to European Employers* (1993).

the late 1960s, Unilever had had two streams of graduate entrants but tried to blur the difference around that time, and the idea of 'upper middle management by mid thirties' did not exist.[1424] In the 1980s and 1990s there was a small but growing minority of graduates treated as management trainees.[1425] Nonetheless, German firms were much more likely in 1990 than their French counterparts to have a CEO who had been promoted internally.[1426] By the 1990s, both French and German firms were more likely than British ones to possess a written policy in favour of high-flier streams.[1427]

Japanese graduates have traditionally been given little initial status within firms, and three-quarters of companies claimed not to recognise the function of management trainees.[1428] However, there has long been a distinction between *Sogoshoku* (management cadres) and *Ippanshoku* (non-management) streams, even for graduates.[1429] Since at least the 1950s, elitist career channels for top graduates have existed, rarely converging on any others, so that the future of employees can often be predicted with reasonable accuracy from entry.[1430] As in case of Sumitomo, graduates from the management cadres who do not eliminate themselves can expect to reach *Kanrishokuko* grade (literally: candidates for management) at age 35.[1431]

[1424] Unilever 6: 'Visit to Hamburg' 1971.
[1425] Randlesome, 'West Germany' (1988), 141; Ferner & Varul, *The German Way* (1999), 20.
[1426] Bauer & Bertin-Mourot, *'Les 200' en France et en Allemagne'* (1991), 41, 48.
[1427] Brewster et al, *European Human Resource Management* (2000), 180.
[1428] Storey et al, *Managers in the Making* (1997), 80.
[1429] Logan, 'Executive Recruitment Japanese Style' (1991), 66.
[1430] Azumi, *Higher Education and Business Recruitment* (1969), 35.
[1431] Storey, 'Do the Japanese Make Better Managers?' (1991), 24.

8.2 Solving the Training Problem

As companies drew on better sources of bright young people, and became better at retaining them, so the premium system dissolved, with the larger and more successful firms leading the way. From the start of the century, several manufacturers agreed to charge lower premiums to recommended Cambridge men.[1432] Writing for graduates in 1914, HA Roberts saw that 'premiums are the exception, though in some cases it is best to pay them' for engineering training, and noted that some railways have also abolished the practice.[1433] The best commercial firms were even less likely to request a premium, usually offered a small stipend, and the occasional excellent candidate might receive a living wage.[1434] By 1928 Dorothy Hughes noted that companies in civil, mining and aeronautical engineering still required a premium, but six years later could report the almost complete extinction of the practice in technical areas.[1435] Accountants and others followed, with Sir Harry Peat of Peat, Marwick, Mitchell & Co offering premium-free training to the ablest Oxford candidates from the 1920s onwards.[1436]

The transition to employer-financed training took time and was often not clear-cut. At the Gas, Light & Coke Company entrants were still called 'staff pupil trainees' despite the disappearance of paid pupillages, while the name of 'apprentice' lingered on

[1432] CUCS, *History of the Cambridge University Careers Service* (2002), 8.
[1433] Roberts, *Careers for University Men* (1914), 20.
[1434] Williams, *Careers for Our Sons* (1914), 281 & 546.
[1435] Hughes, *Careers for Our Sons* (1928), 210; Hughes *Careers for Our Sons* (1934), 174.
[1436] Weston, *From Appointments to Careers* (1994), 73; CUCS, *History of the Cambridge University Careers Service* (2002), 15; ISC1/19/1/7 (1935), 2; ISC1/19/1/9 (1936), 3; UMCAS AR (1958), 2.

even for highly educated trainees in the steel industry.[1437] In some cases, paying and non-paying trainees co-existed for a period, such as at Daimler Motor where payments were accepted from those unable to meet the normal requirements.[1438] Some new industries, such as mechanical laundries, canning and advertising, generated new premium arrangements in the interwar period.[1439]

The content of training was also reconsidered in the post-war period. Many earlier training schemes had involved a superficial rotation around company departments, under the title of 'Cook's Tour', already used as a pejorative phrase at a 1939 meeting of careers services.[1440] Firms responded to graduate complaints that department visits were too long and too theoretical for getting acquainted, but too short to add something substantive, by reducing the range of visits and accelerating job starts.[1441] Graduate recruitment advertisements began emphasising the advantages of on-the-job training as opposed to more education. Then, and thereafter, the ideal balance between practical and theoretical elements needed for the development of potential managers remained difficult to agree, generating 'strong, even violent, differences of opinion about the comparative merits of these two forms of training' amongst recruiters and careers advisers.[1442] Likewise the time spent within a scheme has varied, partly in response to student sentiment, and partly depending on the time needed to prepare young people for career tracks of differing levels of complexity, with high-flier management schemes

[1437] Acton Society Trust, *Training and Promotion in Nationalised Industry* (1951), 41; Erickson, *British Industrialists* (1986), 44.
[1438] *The Journal of Careers*, Vol. V, No.9 (May 1926), 13.
[1439] *The School Calendar*, Vol. I, No.16 (January 1923), 23; No.20 (May 1923), 28; ISC1/19/1/7 (1935), 3; ISC1/19/1/11 (1937), 2.
[1440] Scott, 'Careers Advisory Provision in UK Higher Education' (1987), 4.
[1441] Collins et al, *The Arts Graduate in Industry* (1962), 35, 42; Thompson, *The Story of NFC* (1991), 28; ISC1/19/3/111 (1964), 16.
[1442] APTB 10/8 (Imperial Tobacco), visit report 24/08/1966.

being amongst the longest.[1443] Accountancy companies promoted their more specific training as relevant for a wide range of jobs in professional services and companies generally, even suggesting that it offered the same access to people, documents and issues as an MBA, but with live rather than academic case studies.[1444]

Training schemes were not the only way in which companies could attract young people with support for learning. Sponsorship of A-level leavers to pursue university studies with limited, or even no, subsequent obligation towards the firms developed on a large scale from the 1950s onwards.[1445] These initially focused on technical subjects and in some cases, like Ford, came to provide a large proportion of their graduate engineers.[1446] The introduction of the obligatory Training Levy on firms in the 1960s enhanced the attraction of using sponsorship as a fringe benefit for employees and directors' children.[1447] A concerted attempt to extend sponsorship to business studies degrees did not turn out well, since it attracted low quality candidates with 'disastrous', results.[1448] The 1970s and 80s saw a slow retreat by dissatisfied companies from offering sponsorship with Esso, for example, providing an entire briefing to its interviewers on the reasons why sponsorship had become undesirable.[1449] By 2000 sponsorship was a minority pursuit, focused almost entirely on students in engineering/electronics, computer science and physics, with just 11% for business studies.[1450] The related phenomenon of sandwich courses, much touted from the 1960s onwards, did not fare much better, primarily because, despite general expressions of support, a decreasing

[1443] Connor et al, *You and Your Graduates* (1990), 29.
[1444] ISC1/19/3/179 (1984).
[1445] CUCS AR (1956).
[1446] Ford Graduate Recruitment Report (1990).
[1447] Prentice, *The Employment of Graduates* (1976), 79; Patrick Alexander (Interview).
[1448] ISC1/19/3/127 (1967); ISC1/19/3/134 (1969); ISC1/19/3/104 & ISC1/19/3/106 (1963).
[1449] Prentice, *The Employment of Graduates* (1976), 79; Esso: Graduate Recruitment Report (1991).
[1450] IRS, 'Graduate Survey' (2000), 18.

number of companies were interested in hosting such students for four years meaning that business links became more tenuous.[1451]

8.3 Integrating Newcomers into the Promotion System

The nature of the old premium arrangements was such that the pupils, or articled clerks in the accounting firms, were a 'privileged class' whose existence might demoralise bright young people from poorer backgrounds or attract their antagonism, even when newcomers came 'from technical schools with eye glasses and slide rules' and sought to rise on their own merit.[1452] Any post-war graduate trainees risked being seen as favoured outsiders too. Recruiters for Littlewoods, for example, although in the midst of large scale expansion, were asked not to advertise explicitly for graduates to avoid hurting the feelings of insiders, and had no recourse when trainees were rejected on whim by store superintendents.[1453] But this kind of suspicion was most notable within manufacturing firms, especially in production and engineering departments, where graduates would be either pressured into leaving or be arbitrarily fired, as specific examples from BAC, Ford, GKN and Unilever (all generally supporters of graduate entrants) suggest.[1454] In one firm the personnel manager needed to hide the fact that a man was a graduate when putting him up for promotion in the 1940s.[1455] Schemes within the service sector also met with antagonism as inter-war cases from Norwich Union, Lloyds Bank and GWR

[1451] RIS/1: 'Why Engineering?' (1977), 21; Pearson, *Graduate Employment and Careers* (1981), 2.
[1452] Jones, *A History of Price Waterhouse* (1995), 167; McGuffie, *Working in Metal* (1985), 114.
[1453] Interviews with Bernard Ungerson, Julian Jenkins.
[1454] Terry Dean (Interview); APTB 10/6 (Ford 8th dec 1955); OUCS/3 (GKN), letter JP to FBH 16/03/1950; Thompson, *The Story of NFC* (1991), 26.
[1455] Collins et al, *The Arts Graduate in Industry* (1962), 7.

show.[1456] Sometimes hostility derived from a 'perfectly sound democratic desire' to retain opportunities for all.[1457] Elsewhere it came from senior non-graduates who, perhaps, were fighting battles of their youth in different educational circumstances, as an example of a manager from Turner & Newall in 1973 suggests.[1458]

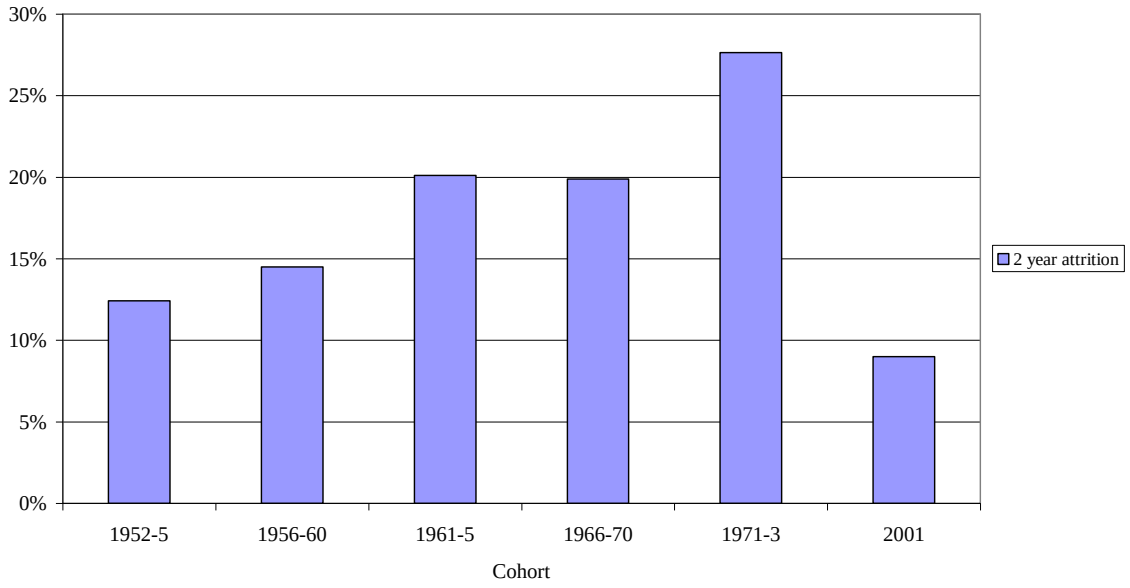
Since streaming remained an uncertain exercise, the only way to reduce resistance was to ensure that (a) entrants to fast-track schemes were selected rigorously and objectively and then promoted on the basis of their performance and (b) uneducated but able young people could still rise on their merits. The second policy was urged on business by organisations such as BACIE from the 1920s.[1459]

8.4 Retention

Most companies recruited in the hope that the majority of entrants would remain within the company for a significant length of time, with some reaching senior positions. Many left, though: sometimes because initial selection was faulty, sometimes because selection created a pool of quality employees whom competitors may wish to poach. Although the company may be happy that misfits leave, and sad that it loses high-fliers, recruiters are more likely to be measured on the proportion of those leaving early. Consequently, as Figure 8.3 shows, the rising percentage of entrants to Unilever from the 1950s to 1970s who left within two years suggests that, for whatever reason, recruitment was bringing in more entrants who were probably unsuited to the company and its training.

[1456] APTB 10/4 38 (Norwich Union); Winton, *Lloyds Bank* (1982), 41; APTB 10/4 19 (GWR).
[1457] Tennyson, *Stars and Markets* (1957), 187-8.
[1458] APTB 10/28.
[1459] BACIE, *Education for Management* (1928), 12.

Figure 8.3: Percentage of entrants to the Unilever Companies Management Development Scheme who left within two years



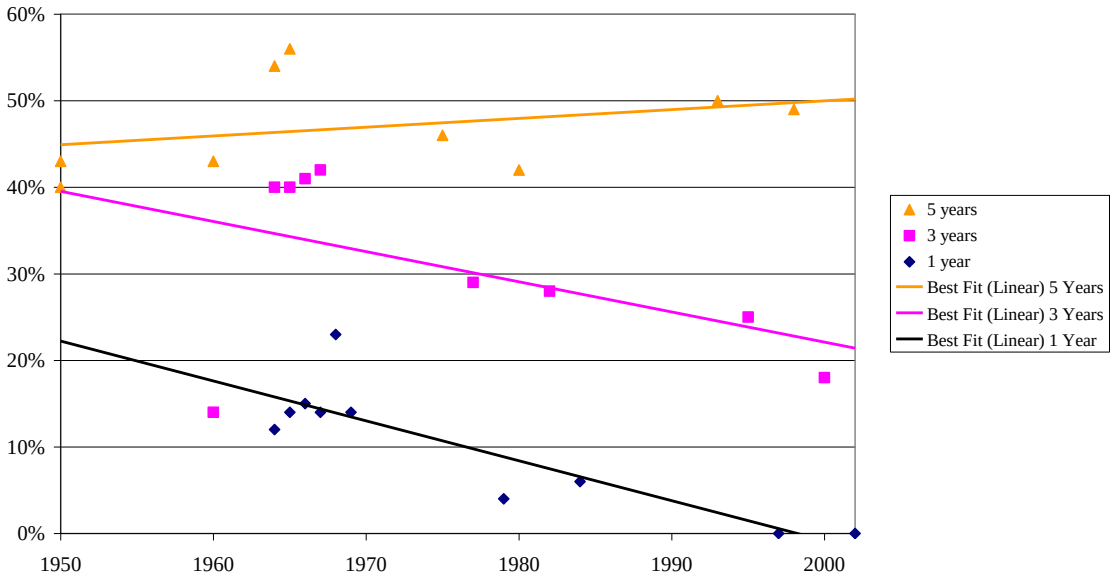
Sources: Data for 1952-1973: Unilever 4 (List of UCMDS Entrants 1952-73); 2001: correspondence with Unilever.

After the changes of the 1980s and 1990s, with a considerable tightening in the severity of selection, the proportion of such early leavers dropped below 10%.[1460] The evidence across the whole market in Figures 8.4 and 8.5 suggests that there was steady progress towards reducing early leaving (measured as those leaving either within a year or within three) from the 1950s onwards, in both Britain and America. American losses appear to have been slightly above British ones, although differences in sampling bases and definitions reduce the significance that can be attributed to this. Japan seems to have experienced different trends – with low losses of graduates in the 1950s rising to losses of 30% by the 1990s.[1461] The trend lines suggest that leaving rates may have been even higher pre-war and, indeed, the head of Management Research Group 1 (a collaborative

[1460] See Figure 6.7, 238
[1461] Azumi, *Higher Education and Business Recruitment* (1969), 35; Wood, *The End of Japan Inc.* (1994), 153.

industry discussion group for large companies) reckoned that in the 1930s large companies were regularly losing 60% of their arts graduates within a short time.[1462] Firms had been more successful at attracting entrants with 'the glowing pictures painted of advantages offered to either side' than in keeping them thereafter.[1463] This is consistent with the argument that many inter-war training schemes needed re-balancing.

Figure 8.4: Percentage of British graduate entrants to companies who leave their first employer within certain time periods



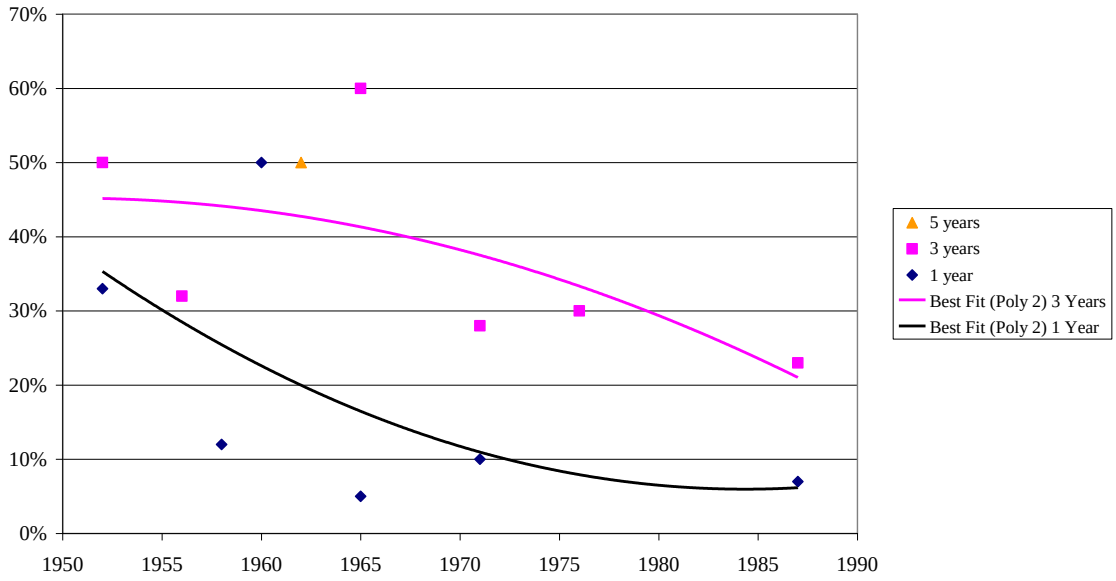
Sources: 1950 PEP, *Graduate Employment* (1956); 1960 NEDC, *Management Recruitment and Development* (1965), Table 3.1; 1960 Kelsall et al, *Six Years After* (1970), 54; 1964-1969 AGCAS 28; 1975-1984 Parsons, *Graduate Recruitment and Retention 1980-4* (1985), 28; 1993-7 Sturges & Guest, *Should I Stay or Should I Go?* (1999), 4

These figures are representative of large well managed companies, suggesting that, in the overall universe of graduate recruiters, losses were higher. In 1977, for example, state-owned British Leyland supposedly lost almost its entire graduate intake of 200

[1462] Transcript of Conference, FBI/200/F/3/T1/197, 32.
[1463] Bagnall FC, 'My Job in Industry', *The Journal of Careers*, Vol. XV, No.167 (September 1936), 507.

entrants due to disorganisation and the hostile atmosphere created by unions.[1464] The Bank of England, whilst a consistent recruiter, had a reputation for over-recruiting graduates and then giving them little to do and, in consequence, often experienced wild swings in retention.[1465] A study of the 1980 national graduate cohort found that about 50% had left their first jobs within two years.[1466]

Figure 8.5: Percentage of American graduate entrants to companies who leave their first employer within certain time periods



Sources: 1952 Crowe, 'Pre-Graduation Recruitment of College Students' (1957); 1956-1958 Endicott, *Trends in Employment of College and University Graduates in Business and Industry* (1960); 1960 Mandell, *The Selection Process* (1964); 1962 Johnson & Simonsen, 'Smoothing the Transition From College to Work' (1969), 76; 1965 PPF, *Executive Development* (1967); 1971, 1976, 1987 Endicott, *Trends in Employment of College and University Graduates in Business and Industry* (1975, 1980, 1990).

In America, whereas AT&T found that it had lost just half of its 1956 graduate intake by 1976, surveys of the national scene showed that as many as 75% of the graduates from

[1464] Terry Dean (Interview).
[1465] OUCS/3 (Bank of England), letter to WK 03/12/1965.
[1466] CEDT, *Early Careers of Graduates* (1986), 105.

late-1950s cohorts left within five years.[1467] Not only were large companies more successful in this respect, but it appears that better qualified male graduates were the least likely to leave – exactly the category firms were probably keenest to retain.[1468]

[1467] Gill, 'Fairness and Accuracy' (1978), 8; APTB 19/5, piece 7 (Visit to USA 1964).
[1468] ISC1/19/3/137 (1970), 6.

Chapter 9: Managerial Recruitment and Business Performance

Previous chapters argued that business in Britain did broadly the right things when confronted with a series of challenges: identifying relevant criteria; recruiting graduates when appropriate; cooperating to build a functional market; sorting and then selecting amongst applicants and integrating them. This chapter considers whether firms were able to attract young people in competition with other occupations and whether those who entered did in fact reach senior positions and meet business hopes for them.

The desire to test the contribution of recruitment outcomes to corporate outcomes is, however, difficult to satisfy for various reasons. Firstly, calculating the success of recruitment decisions should, in principle, involve measuring contribution to organisational results. However, in practice, assessment criteria typically focus either on proxies for *personal* success, such as salaries, promotions and tenure, or on subjective estimations, such as ratings of training or on-the-job performance by bosses. For their analysis of this subject, the Gallup Organisation asked companies which managers they would most like to clone.[1469] But each such measure is open to influences apart from actual performance (e.g. regional variations in salaries, industry cycles).[1470] One solution is to employ multiple criteria instead of just one, but this raises complexities of its own, including combining measures that do not correlate.[1471] Such a combination exercise is a key feature of most assessment centres, for example, with assessors sharing their

[1469] Buckingham, 'Clone-Free Zone' (1999), 43.
[1470] Selection Research Group, *Studies of Selection in British Industry* (1981), 30, 41; Bass & Burger, *Assessment of Managers* (1979), 51.
[1471] Gill, 'Fairness and Accuracy' (1978), 8.

individual score of scores. There is a special problem in rating those regarded as high-fliers, since often they are moved between jobs so rapidly that their impact is hard to assess. In addition, their influence may extend over decades, far beyond the scope of most studies that have more than historical interest. Moreover, perceptions of organisational success, and the influences of recruitment and promotion, can change over time. Marks & Spencer has been described as the world's most successful retailer of the post-war period by Drucker, and this has been attributed to the company's 'rigorously formulated and meticulously executed policy' for staffing.[1472] Yet, by the late 1990s, the company experienced a sales and financial crisis, with commentators criticising their management ranks as over homogenous.[1473]

Trying to isolate the influence of recruitment and selection may seem like a pointless exercise when training, management development, appraisal and promotion are also important. In Britain, the training of managers has been the subject of considerable criticism. Likewise, selection may seem irrelevant when a prominent management analyst reckoned in 1927 that 'Broadly speaking, in ninety-nine hundredths of British industry there is no system of promotion. Family connections, ownership of capital, toadyism, seniority, inertia or luck decide which men shall be selected to rule their fellows'.[1474] Eli Ginzberg, who spent eight years studying the selection procedures of the US Army, came to the conclusion that in such large organisations post-entry policies were more likely to determine long term performance than selection decisions as such, however carefully made.[1475]

[1472] Drucker, *Management* (1974), 19; Tse, *Marks and Spencer* (1985), 167.
[1473] Bevan, *The Rise and Fall of Marks and Spencer* (2001), 158, 202-4.
[1474] Urwick cited in Quail, 'From Personal Patronage to Public School Privilege' (1998), 3.
[1475] Ginzberg, *Good Jobs, Bad Jobs, No Jobs* (1979), 108.

In regard to defining qualities, formulating pre-selection proxies, and deciding on selection tools, business has often deviated from the procedure-heavy prescriptions, that some observers of the recruitment scene call the 'professional/bureaucratic approach'.[1476] Instead of complying with the exhortations of post-war management reformers, with their Taylorist and human relations approaches, companies have made use of existing practices unless and until blatantly avoidable mistakes were made, and limited the amount of record-keeping and analysis to the minimum required by law.[1477] Even in the late 1990s, despite large numbers collecting informal feedback from managers and perhaps half looking at staff turnover, few companies formally evaluated recruitment results.[1478] Those that did were typically multinationals, for example Shell who did validation studies using as criteria assessments of performance and potential by superiors.[1479] Reluctance appears to have prevailed abroad too and, indeed, British HR practices appear to have been more professionalized and centralised than those on the continent.[1480] In the USA around 1970, decisions about recruitment processes were reported to one sceptical academic as 'little more than hazy and unsubstantiated recollections of the "it-seemed-like-a-good-idea" variety', with little interest shown by companies in measuring the effects of personnel decisions.[1481] This was true even in some of the largest and best known corporations.[1482] Later observers claimed that this pattern of 'manpower chaos' remained in place into the 1990s.[1483] One American

[1476] Windolf & Wood, *Recruitment and Selection* (1988), 7.
[1477] Ibid, 15-6, 1; Tiratsoo, 'British Management 1945-64' (1997), 80.
[1478] IRS, 'Survey of Recruitment Practice' (1999), 19; CIPD, *5th Annual Recruitment Survey* (2001).
[1479] Andy Gibb (Interview).
[1480] *Personnel Management* No.353 (1960), 156; Windolf & Wood, *Recruitment and Selection* (1988), 18, 35; Stewart et al, *Managing in Britain and Germany* (1994), 10, 22.
[1481] Berg, *Education and Jobs* (1971), 15, 73-79.
[1482] Campbell et al, *Managerial Behavior, Performance, and Effectiveness* (1970), 70.
[1483] Rynes & Boudreau, 'College Recruiting' (1986), 729; Huck, 'Assessment Centres' 191; Connerley, 'Recruiter Characteristics and Organizational Recruitment' (1993), 6, 91.

recruiter felt, in 1985, that little progress had been made in decades: 'we continue to recruit on college campuses the way we did 35 years ago. It was a crude, expensive, ineffective process then, and it is a crude, expensive and ineffective process today'.[1484]

A lack of attention to the recruitment function reflected the view held, for example, by a sample of large sophisticated companies in 1986 America, that graduate recruitment was not a major strategic function and, in consequence, it received little attention or resource.[1485] The authors of the study speculated that the usefulness of HR was rarely examined and that, consequently, potential costs and benefits were 'simply not salient enough to practitioners', something noted in the UK too.[1486] Skills and other HR issues needed to compete for prominence against other claims to competitive advantage such as IT, new technology, acquisitions, outsourcing, globalisation etc. For example, when British Aerospace was revitalised from the late 1980s, finance, strategy, clients, and top team communications were given precedence: recruitment was not mentioned in the book on the experience.[1487] Where HR has been involved in performance improvement, this was not by direct participation in developing new strategies, but rather in translating conclusions, reached elsewhere, into appropriate HR procedures.[1488] This is partly attributable to professional introversion – in one review of thirty years of personnel selection research there was no mention of economic effects at all.[1489] In consequence, an analysis of the role of strategic human resource management concludes that there is little evidence to suggest that it directly influences organisational performance or

[1484] Nemecek, 'Employers' Decision-Making Structures' (1987), 23.
[1485] Rynes & Boudreau, 'College Recruiting' (1986), 750.
[1486] Ibid, 750-2; Keep & Mayhew, *Globalisation, Models of Competitive Advantage and Skills* (2001), 8.
[1487] Evans & Price, *Vertical Take-Off* (1999).
[1488] Hogarth & Wilson, *The Demand for Skills in England* (2002), 30.
[1489] Monahan and Muchinsky (1983), in Duncan, *The Economics of Selection* (1985), 4.

competitive advantage.[1490] In his book *Competitive Advantage,* Michael Porter dismisses the role of HR in just two paragraphs.[1491]

Many previous attempts to test intuitions about links between human resources and corporate performance have offered thin rewards. Following Chandler's claim that the structure of an organisation should follow its strategy, Fombrun et al proposed that HR strategies should match business strategies which in turn should match market strategies.[1492] This prescription of a 'tight fit' between strategy and HRM has been adopted as plausible in the management literature, one empirical study concluded that there is 'generally no association between organisations' choice of business strategies and HRM strategies'.[1493] Since it is unclear whether many firms have a clear and stable strategy, strategic HRM may be not only not implemented, but un-unrealisable.[1494] An alternative 'Harvard' model received more empirical support but posits that HR policies are the *result* of several external factors, rather than primarily a contributor to corporate results.[1495]

Demonstrating the effects of qualifications on economic performance at firm, industry or national level has rarely been successful. One study looked at the association between qualified manpower and productivity in 68 plants in the electrical engineering industry in the early 1970s and reached 'wholly negative findings of some importance'. The same general conclusions were reached in a study of twelve British industries and

[1490] Lengnick-Hall & Lengnick-Hall (1987), in Cook, *Personnel Selection* (1998), 290.
[1491] Mintzberg et al, *Strategy Safari* (1998), 119.
[1492] Harness, 'From Markets to Manpower' (1998), 3-4, 29, ch.3.
[1493] Ezzamel et al in Clarke 'Management Development' (1996), 41; Harness, 'From Markets to Manpower' (1998), 111.
[1494] Keep & Mayhew, *Globalisation, Models of Competitive Advantage and Skills* (2001), 7.
[1495] Harness, 'From Markets to Manpower' (1998), 4-5, 117-120.

one in the German mechanical engineering industry.[1496] A more recent analysis of ten manufacturing industries post-war concludes that education and training were 'not a central source of weakness' except in certain areas where there was a reliance on craft skills.[1497] Perhaps the most acclaimed studies claiming a link, the 'canonical literature' of some 1970s studies by the National Institute for Economic and Social Research, are treated with less reverence now due to their methodological approach and their automatic assumption that lack of graduates was the key to problems in three troubled industries.[1498]

Lord Robbins' confident claim that '...unless this country is prepared to expand higher education on something like the scale we recommend, continued economic growth on the scale of [government] targets … is, in our view, unlikely to be attainable' proved to be simplistic.[1499] A 1970 OECD study found correlations between educational levels and economic development across 52 countries to be distinctly ambiguous, and suggested that supply of education was independent of economic needs. Despite strong political motivation to the contrary, the British Central Policy Review Staff 'found it difficult, if not impossible, to prove that particular features of a country's education are associated with high or low growth'.[1500] Moreover, estimates of growth in labour quality due to the education system suggest that higher education has been the smallest contributor after secondary and technical education.[1501]

Perhaps not surprisingly in this context, attempts to relate executive qualifications to company profits have been troublesome. An entire thesis explicitly dedicated to

[1496] studies cited in DES, *Review of Graduate Follow-Up Studies* (1987), appendix 2.
[1497] Owen, *From Empire to Europe* (1999), 459-460.
[1498] Tomlinson, *The Politics of Decline* (2000), 110-1.
[1499] Robbins Report: *Higher Education* (1963) para. 192.
[1500] studies cited in DES, *Review of Graduate Follow-Up Studies* (1987), appendix 2.
[1501] Aldcroft, *Education, Training and Economic Performance* (1992), 12-26.

showing the links between British executive under-qualification, company profitability, and economic decline confronted 'something of a mystery' when it found that both within Britain, and in comparison with European companies, qualifications offered no explanatory power.[1502] A study which compared corporate growth and CEO qualifications in Britain, Germany and the USA found that the fastest growing companies tended to be owner managed and controlled by managers with limited qualifications. This relationship was especially strong in Britain, and the faster growing the company the fewer graduates were to be found.[1503] Such owner-managers tended to less interested in management training, but were more sophisticated than executives from other companies regarding technical, computing, and product matters.[1504]

Given the well-known differences in productivity between foreign-owned and locally-owned firms in Britain, one might expect that this was partly attributable to more enlightened recruitment or HR practices. Certainly American firms paid wages over the UK average in the 1950s and this, amongst other factors, may have allowed firms like Procter & Gamble to train and unleash a diaspora which 'infused excellence into British companies'.[1505] The approach might have been copied by British companies. For example, in the late 1950s a new personnel manager, originally from Thomas Hedley, took over personnel policy at Beechams and instigated graduate recruitment along Hedley lines.[1506]

However, the foreign-owned firms themselves claimed, and delivered, personnel policies that were almost identical to those of local companies. The Procter & Gamble

[1502] Hollinghurst, 'Management Education Factors' (1997), 136-8.
[1503] Copeman, *The Chief Executive and Business Growth* (1971), 16-17, 22.
[1504] Ibid, 330.
[1505] Dunning, *American Investment* (1998), 195; 'Business in Britain', *Economist* (28/05/1994), 100.
[1506] Dunning, *American Investment* (1998), 202; APTB 10/6 (Beechams).

managers who introduced themselves to the Cambridge University Careers Service in 1936 after their acquisition of Thomas Hedley insisted that recruitment (and almost all other matters) would be run by 'Britishers'.[1507] Dunning tells us that American firms 'almost universally preferred' to have a British personnel manager, and when takeovers of British firms took place the weakest effects were felt in the area of personnel policy.[1508] Scott Paper stated their philosophy of recruitment in 1969 as being to '...hire the best we can get', but expected their local colleagues and partners to interpret this for all except the most senior positions.[1509] The same trend, of locals controlling policy regarding HR in general and recruitment in particular, seems to have remained the same in the 1980s and 1990s, whether in the case of Japanese electronics firms, multiple greenfield investors, Swedish manufacturers, or the trading arm of Cargill.[1510] This does not necessarily mean that practices in Britain were exemplary, but does at least imply that foreign firms did not see a great opportunity to out compete local firms by acting differently.

One response to this 'paucity of hard, detailed evidence of direct causal links...' between HR activity and increased performance is the reply "so what?", because there are many other corporate policies which cannot easily show tangible benefits, such as formal planning systems and strategy development.[1511] Other evidence about the returns to HR, and the recruitment and selection of potential managers, whilst not perhaps meeting the strictest evidential hurdles, can place the benefit of doubt on the side of

[1507] APTB 10/4 41.
[1508] Dunning, *American Investment* (1998), 193, 210.
[1509] MacDonald, 'University-Level Recruitment and Placement' (1969), 27.
[1510] Takamiya & Thurley (eds.), *Japan's Emerging Multinationals* (1985), 145; Guest & Hoque, 'National Ownership and HR Practices' (1996), 68-9; Denny, 'Influences upon Training and Development' (1999); Richard Stokes (Interview).
[1511] Miller, 'A Strategic Look at Management Development' (1991), 45-6.

diligent process. For example, Michael Porter's competitive framework offers five fundamental competitive forces as the prime determinants of firms' ability to earn above-normal returns: 'entry of new competitors, the threat of substitutes, the bargaining power of buyers, the bargaining power of suppliers, and the rivalry among existing competitors'.[1512] Yet according to Pfeffer, the top five performing American companies by stock price growth in the twenty years after 1972 – including Wal-Mart and Southwest Airlines – violated these prescriptions and instead found competitive position in their workforce management.[1513]

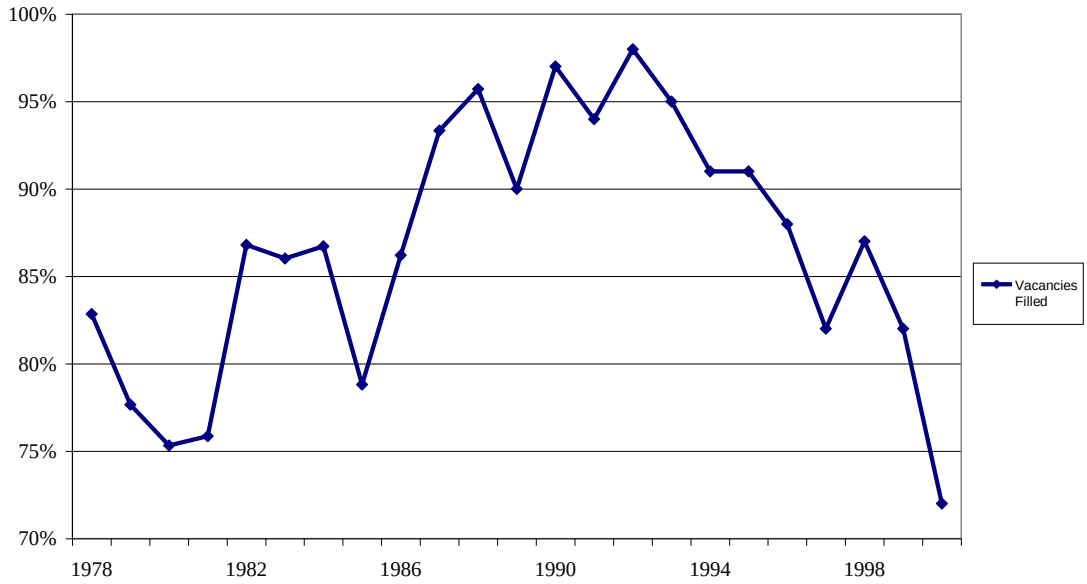
Pfeffer offers a list of sixteen HR practices which are backed by empirical evidence. This includes selectivity in recruitment due to the importance of individual differences to output.[1514] Other studies in the 1990s support this conclusion, with for example, evidence from Huselid et al of significant (if small) correlations between certain HR practices and return on assets, and demonstrations of positive effects on profits, and sales growth of various high-validity selection tools such as structured interviews and ability tests.[1515] In 1986 America, estimates for the value of good selection practice within the federal government, based on extrapolations of results in some agencies, suggested that increases in output of up to $600 million could be obtained for limited extra testing costs.[1516]

In principle, the ways in which recruiters added value to their organisations can be defined by time horizons – filling open vacancies in the short term; avoiding too many misfits who leave within the first few years; ensuring a pool of good candidates from

[1512] Porter, *Competitive Advantage* (1985), 4.
[1513] Pfeffer, *Competitive Advantage Through People* (1994), 4.
[1514] Ibid, 31-5, 53-7.
[1515] Cook, *Personnel Selection* (1998), 290.
[1516] Schmidt & Hunter, 'The Economic Impact of Job Selection Methods' (1986), 27.

which future middle and senior managers can be drawn. In practice, criteria for judging the efficiency of recruiters have tended to focus on shorter term questions – costs of obtaining each recruit, or the degree of selectivity in obtaining entrants from a pool of applicants. Most prominent, in both the UK and the USA, was success in meeting recruitment targets for filling vacancies with entrants of acceptable quality.[1517] Figure 9.1 shows a typical measure for Unilever, with considerable improvement over the 1980s, despite the difficulties of meeting heavy competition from City recruiters in the period before and after 'Big Bang' liberalisation.[1518] There was then a decrease after the 1990-1 recession, perhaps due to the significant tightening of criteria combined with increased competition.

Figure 9.1: Percentage of advertised vacancies in the Unilever Companies Management Development Scheme filled by end of the recruitment season



Source: Unilever Graduate Recruitment Annual Reports

[1517] Prentice, *The Employment of Graduates* (1976), 115; Rynes & Boudreau, 'College Recruiting' (1986), 740.
[1518] Unilever: Graduate Recruitment Report (1987), 3.

Typically, recruiters such as Unilever have measured their success relative to a peer group of other top-rank recruiters. After all, more than one third of Unilever entrants in 1989 had also applied to Mars, 32% to Procter & Gamble, and 29% each to Shell and ICI.[1519] A loss of some candidates to them was seen as inevitable. By contrast, losses of good people to recruiters perceived as lower down the pecking order, such as Marks & Spencer, GKN, British Airways or Tesco would have been mortifying.[1520] Candidates were also aware of this hierarchy of prestige and, due to the assortative matching of employers and candidates, some recruiters like Sainsburys, had limited success in attracting entrants from the top universities.[1521] Likewise, when Wimpey launched a new management training scheme in 2000 they found that, despite attractive terms and costly advertising, students at the ten universities they approached were unresponsive to the building industry.[1522] The state-owned British Leyland company tried repeatedly to overcome its own weak image amongst students but, despite taking a graduate recruitment manager from Unilever, other manufacturers easily out-competed them for talent due to their longer, and more coherent approach, to recruitment overall.[1523] A better approach was shown by a textiles producer which, although aware of the greater attractiveness of blue chip companies, offered a unique opportunity to work abroad within just months of joining the firm.[1524]

[1519] Burton, 'The Recruitment and Selection Processes Used By Unilever' (1990), 48-9.
[1520] John Bulpitt (Interview).
[1521] OUCS/3 (Sainsburys), briefing note RJD 21/10/1988.
[1522] OUCS/3 (Wimpey), file note ARN 19/01/2001.
[1523] OUCS/3 (Rover Group), memo by MJD 29/03/1984 & memo by MJD 15/02/1979.
[1524] Scullion, 'An Empirical Study of the International Human Resource Management Strategies and Practices in British Multinationals' (1997), 96.

9.1 Work Destinations

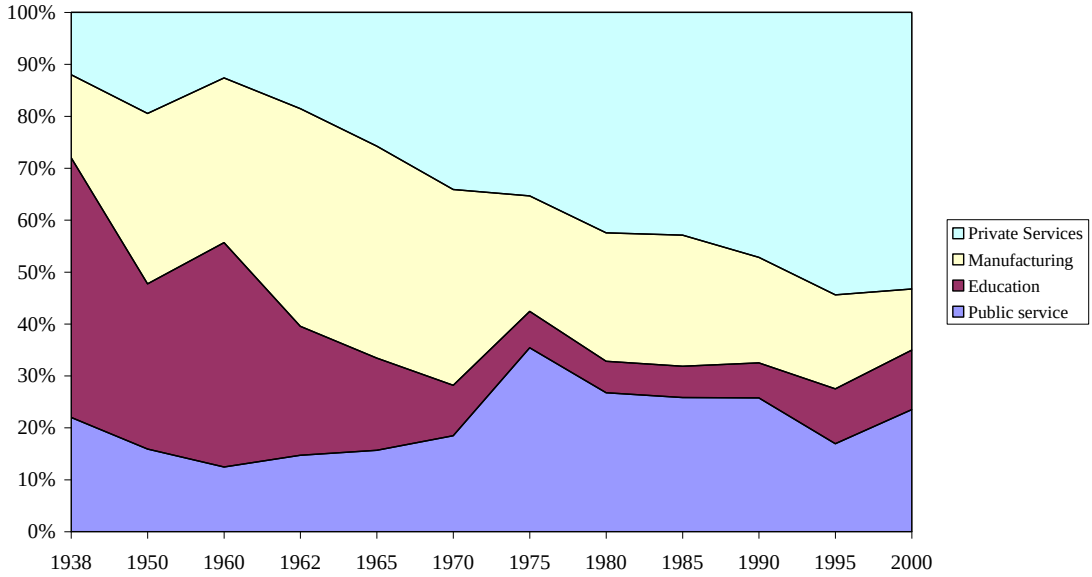
Such company-specific details tell us little, however, about the success of British business generally in persuading educated young people to apply there rather than to, say, the public or education sectors. The best information on that topic come from the First Destination Statistics collected by careers services since the late 1950s and published by the UGC (then USR and HEFCE) after 1963. The surveys on which these are based have managed, until recently, to ensure response rates of over 90% of each graduating cohort, and nothing comparable exists abroad, except perhaps the annual Recruit Research surveys in Japan where up to half are surveyed.[1525] In the USA, some national surveys are carried out but only once a decade and using much smaller sample sizes, and the more frequent surveys done by individual educational institutions have often been unsophisticated. In Germany and France, work on graduate destinations appears to have been sporadic and localised.

First destination statistics, however, have their limitations: they provide a spot check about six months after graduation, when a significant proportion of graduates may still be travelling or working in temporary jobs. The figures tell us only about actual destinations, not about the match of these with initial aspirations. Until 1974 there were no figures for the former Polytechnics, and they only became integrated with those of universities in the early 1990s. Also, because many graduates proceed to further studies, it is hard to know the final occupational destinations of any cohort. Calculations by the head of the Manchester careers service in 1974 suggested, however, that although many

[1525] Rebick, *Market for University Graduates in Japan* (1998), 12.

of those doing further studies would remain within the educational system, large numbers of postgraduates also proceeded into industry. Indeed, whereas 31.2% of the 1974 cohort on his figures went directly into private manufacturing and services after graduation, this rose to almost half of the cohort within a few years.[1526] This tendency is confirmed by a survey of Oxbridge students in 1987 which found that, of those intending to pursue postgraduate studies, two-thirds intended to work subsequently in business.[1527] First destination figures below do not try to replicate those calculations and, instead, exclude those doing further studies, those otherwise unavailable for work, and non-respondents. Within this framework, Figure 9.2 shows changes over time in student destinations from the late 1930s.

Figure 9.2: Percentage of various cohorts of British graduates, of those available for UK employment, entering first jobs in various sectors of the economy



Sources: Spens, *University Education and Business* (1946), 18; PEP, *Graduate Employment* (1956), 286-7; Kelsall et al, *Six Years After* (1970), 33; 1962 onwards – UGC/USR/HEFCE *First Destination Statistics*.

[1526] BJH/2: 'The relevance of higher education' (1975).
[1527] OUIS/CUIS, *Oxbridge Careers* (1987), 29.

This illustrates the long term trend whereby graduates increasingly took up jobs in private industry and services, from less than one third of cohort in the 1930s to two-thirds by the 1990s. That was itself a continuation of a trend extending back into the nineteenth century. Before 1850, in Oxford, almost three-quarters of graduates entered Holy Orders; by 1880-90 only 20% did and, by 1933, a survey found that whilst just 3% went to the Church, 35% went into business. Moreover, the number going into business easily outnumbered those articled into a profession and those entering government service combined.[1528] Likewise, at Cambridge, from the 1880s onwards, 10-15% of graduates went into business and, in the period 1900-13, 16% of those doing science degrees and 14% doing arts did so.[1529] One 1920s source noted that some colleges sent as many as 50% of their graduates into business.[1530] By the late 1930s, about one third of Cambridge graduates went into business.[1531] At that time, newer universities typically had higher proportions of graduates entering teaching and other professions but, as in the case of Manchester, attempts were being made to boost business employment.[1532]

Against that general background of private sector gains, though, we may note some other detail. Firstly, until the mid-1960s, the main competitor for graduates was not public service but teaching. To take an extreme example, of graduates in English in 1960, just 13% went into business and 7% into public administration, but 68% into education jobs. Although 43% of 1960 economists went into business, the number going into education jobs (16%) outnumbered those going into public administration. Only in the case of the more applied disciplines such as mechanical and electrical engineering

[1528] Weston, *From Appointments to Careers* (1994), 19-20, 94.
[1529] Sanderson, *Education and Economic Decline* (1999), 52.
[1530] *The Journal of Careers*, Vol. VI, No.3 (November 1926), 31-3.
[1531] Spens, *University Education and Business* (1946), 18.
[1532] *The Journal of Careers*, Vol. VI, No.1 (September 1926), 5-9; UMCAS AR (1935).

did the government take more graduates (6% and 13% respectively) than education (5% and 3%).[1533] Between 1960 and 1966, both public service and business experienced net losses of 1960 graduates to the education system.[1534] A 1969 survey of Cambridge graduates found that the largest single category (58%) claimed to be 'certainly attracted' to management jobs, well above the 20% attracted to the Civil Service. But 57% were attracted to remaining in academic life.[1535] Apart from any intrinsic attraction, teaching also offered higher starting salaries to graduates (an average of £745/year in 1961 for a graduate with a higher second degree) than in industry (£697 average) or even attractive areas like advertising (between £700 and £750).[1536] Initial incomes remained similar until the 1980s when private sector salaries grew more rapidly.

Businessmen have sometimes worried that Civil Service careers might hold a special attraction to students compared with business. A post-war ICI recruiter thought that many graduates considered industry as 'almost sinister', although Escritt in Oxford replied that this was a false impression given by the special conditions of the "reconstruction" period.[1537] During the 1960s, careers advisers thought they spotted a trend, at least amongst arts graduates, 'to reject the notion of a career in manufacturing and merchanting businesses'.[1538] In the 1970s, a careers adviser meeting Post Office entrants found that 'a sizeable majority of applicants sees great merit in not making a profit'.[1539] Perhaps for that reason interviewers from Ford noted in 1977 that whilst 'On paper, most candidates expressed proper sentiments about the value to society of

[1533] Kelsall et al, *Six Years After* (1970), 37.
[1534] Ibid, 54.
[1535] Cambridge University Management Group, *Attitudes to Industry* (1969), 20.
[1536] Collins et al, *The Arts Graduate in Industry* (1962), 56-60.
[1537] FBI/200/F/3/T1/197 (1948) 12, 18.
[1538] CUCS AR (1963).
[1539] OUCS/3 (Post Office), dated 10/06/1976.

productive industry…many were unable to sustain a discussion about it or display any real motivation towards working in industry'.[1540] The Civil Service were not obvious beneficiaries of this lack of enthusiasm for business, however. Both the London and Manchester careers services found that their students were uninterested in attending Civil Service presentations, let alone applying for jobs.[1541] Consequently, for most of the post-war period, it suffered from an inability to fill its high flier vacancies, with just two brief exceptions.[1542] The Davies Report noted that 'the picture from 1954 to 1966 was a persistent failure of supply to meet demand'.[1543] After over-recruitment during the early 1970s, with intakes of over 250 per year, by 1982 only 24 out of 44 high-flier vacancies could be filled and even then the Atkinson Report noted that candidate quality appeared to have declined.[1544]

But perhaps this success by business was achieved at the cost of attracting lower quality graduates attracted only by money. Wiener acknowledges that graduates went increasingly into business 'but this occurred more out of necessity than choice' due to insufficient places in state service or the professions.[1545] Examples can be found – a book of anecdotes about Oxford career choices includes four graduates from 1947 to 1951 alone who applied to business only after their applications to other areas had failed – one reckoned that 'industry was generally regarded as small beer'.[1546] But stories of graduates turning down state careers for business are also available: one future Chairman of Metal Box was a Cambridge graduate who turned down a high-flier Civil

[1540] Ford Recruitment Manual (1977).
[1541] UMCAS AR (1958), 2; ULCAS AR (1953).
[1542] Reader, *The Civil Service Commission 1855-1975* (1981), 37.
[1543] Parliamentary Papers 1968/9, *Committee of Enquiry into Method 2* (1969), 29.
[1544] SCOEG News June 1983 2; Management and Personnel Office, *Selection of Fast-Stream Graduate Entrants* (1983), 5.
[1545] Wiener, *English Culture and the Decline of the Industrial Spirit* (1981), 132.
[1546] Dunsmore, *Remember Your First Job?* (1992), 7-8, 16-17, 22.

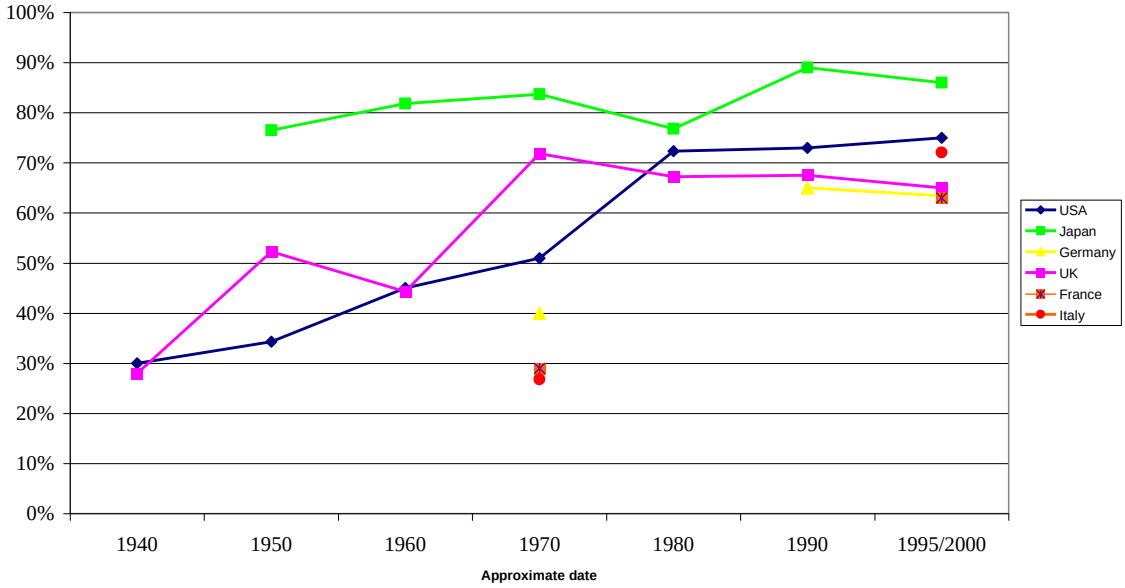
Service job in 1926.[1547] A survey of arts graduates in industry, in 1961, found that three-quarters had made industry their first career choice, with some others intending to enter other areas of business. Of those who had initially considered state careers, there was little sign that entering industry had been clouded by dire necessity, even if a few did admit a need for money due to early marriage.[1548]

A related worry of business was that the best academic minds were disproportionately tempted by academia rather than industry. In the late-1960s, a Shell Chairman was concerned that whilst 10% of science graduates obtained first class degrees, just 6% of them entered business.[1549] Escritt had noticed something similar in Oxford in 1949: fewer than half of those registered with the careers service who obtained firsts entered business versus about 70% of those with third class degrees, even if two-thirds of those he rated as having the best personalities became businessmen.[1550] Of the 1960 cohort, about half of those with firsts stayed at university whereas many fewer with lower degree results did so.[1551] However, as mentioned above, many of those remaining for postgraduate studies would eventually enter business and, anyway, business priorities for future managers did not necessarily require those with the highest academic honours. Nonetheless, whereas in the 1960s the proportions of those with first class degrees going into the public or private spheres was about equal, by the 1990s seven times more firsts went into the private sector than to the state.[1552]

[1547] AVT Dean, in Dunsmore, *Remember Your First Job?* (1992), 28; Reader, *Imperial Chemical Industries* (2 Vols., 1975), ii, 75.
[1548] Collins et al, *The Arts Graduate in Industry* (1962), 62-64.
[1549] AGCAS/5 (Conference Report 1969, David Barran).
[1550] FBI/200/F/3/T1/247 (1947-53), OUAC Survey for FBI 07/01/1950.
[1551] Kelsall et al, *Six Years After* (1970), 40.
[1552] Hannah, 'Cultural Determinants of Economic Performance' (1993), 169.

This competition for talent between the public and private spheres was not limited to Britain. Based on the highly imperfect data presented in Figure 9.3, it appears that British business succeeded in attracting a higher proportion of graduates to itself than was the case even in the USA, and almost certainly than on the continent.

Figure 9.3: Percentage of new graduates from various cohorts entering employment in private firms



Sources: **UK data**: as per figure 9.2. **USA data**: NACE, *The Employer's Guide to College Recruiting* (2000); National Science Foundation, *Two Years After the College Degree* (DC 1963), 51; Court & Connor, *The US Labour Market for New Graduates* (1991), 43; 1990 and 2000 estimates based on employment surveys performed by placement services of the Universities/colleges of Pennsylvania, Princeton, Ohio Wesleyan, Sioux Falls, Drew, Cornell, North Carolina and placed on their websites in 2002. Also NCES, *Recent College Graduates* (1993), NCES, *Baccalaureate and Beyond Longitudinal Study* (2001). **Japan data**: Azumi, *Higher Education and Business Recruitment in Japan* (1969); Mosk & Nakata, 'Education and Occupation in Postwar Japan' (1992), 61; Rebick, *Networks in the Market for University Graduates in Japan* (1998), 23. **German data**: 1990 estimate based on Prais, *Productivity, Education and Training* (1995), 20-21; 1995 estimate based on BLK, *Zukunft von Bildung und Arbeit* (2001); **France data**: 1970 estimate based on Boltanski, *Cadres in French Society* (1987), 189-191; Brennan et al, *The Employment of UK Graduates* (2001), Table A11. **Italy data**: 1970 estimate based on Greenaway & Williams, *Patterns of Change in Graduate Employment* (1973), 143; Brennan et al, *The Employment of UK Graduates* (2001), Table A11. Where possible, data represents figures for all undergraduates. However, some data is for males only. Definitions differ over time and between countries.

This information is too crude to permit statements about flows of the most talented, but other information suggests that some hesitation by educated young people to entering business was common to all advanced countries before the mid-twentieth century.

A 1924 book on American graduate recruitment noted that 'In former years the professions were the great aim of college graduates' and that this had led to overcrowding.[1553] Even into the late 1950s, a major report felt it worth reminding recruiters that until recently 'The business community and the college community were like different worlds. Most college graduates at that time aspired to professional careers. Business was for those who couldn't qualify for anything better'.[1554] By 1961, another writer saw this lingering sentiment as largely in the past but still felt that 'many men' go into business for lack of anything they especially care for.[1555] A survey of Harvard undergraduates in 1948 found that just over a quarter intended to enter business, compared with 57% aiming for the professions.[1556] By the mid-1960s, just 18% of Harvard graduates expected to go directly into employment and, of these, just one fifth mentioned management, finance or sales work, with about the same number considering engineering.

Certainly, many of those pursuing graduate studies would end up in business but a similar survey at Cornell reckoned that just 17% of undergraduates intended to enter business after all their studies finished, as opposed to 23% aiming for teaching, 21% law and 8% government service.[1557] Moreover, those Stanford students intending to enter

[1553] Simpson, *Business and the College Man* (Yale 1924), 4.
[1554] NICB, *Employment of the College Graduate* (1956), 3.
[1555] Harrell, *Managers' Performance and Personality* (1961), 55.
[1556] Harris, *The Market for College Graduates* (1949), 103.
[1557] APTB 19/5, piece 7 (Visit to USA 1964), 14-16.

business were typically those with weaker academic records.[1558] Outside of the elite universities, Whyte claimed that higher proportions of graduates generally intended to enter business in the 1950s (roughly 53%) but he also felt that they flocked towards personnel work rather than production, and sought safe jobs in large companies rather than pursuing more enterprising routes.[1559] As in Britain, by the end of the 1970s, the private sector benefited from constraints in public sector hiring and, thereafter, the increasing disparities in salaries placed the public and educational sectors increasingly on the defensive in the recruitment market.[1560]

France also saw a gradual change in the attitudes of the middle classes towards a less reticent view of money-making and material production, as reflected in careers guides there.[1561] Nonetheless, one historian reckons that despite a huge increase in the size of higher education between the 1950s and 1970s, this had 'only minor effects' on the flow of skilled young people into the private sector because such high proportions continued to enter state service, especially as teachers.[1562] Other studies have come to the same conclusion, especially in regard to students without technical qualifications.[1563] Likewise in Italy, in the 1970s, it was estimated that more than half of all graduates entered teaching jobs.[1564] This is reminiscent of the British situation pre-war.

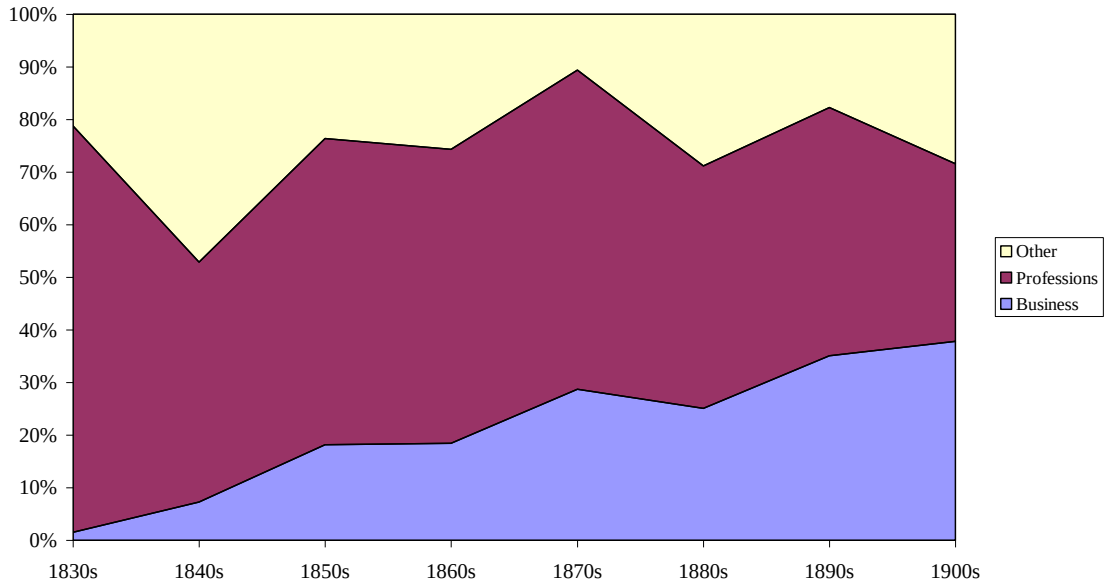
Of those educated young people going into the private sector, it has been said that 'the more talented of the nation's youth have been attracted into the established professions, avoiding the world of industry...'. This is difficult to check, both because

[1558] IARC, 'Assessing Management Potential' (1971), 54.
[1559] Whyte, *The Organization Man* (1956), 75, 80-1, 115.
[1560] Rumberger, *Overeducation in the US Labour Market* (1981), 443; Bok, *The Cost of Talent* (1993).
[1561] Zeldin, *France 1848-1945* (1973), i, 87-101.
[1562] Boltanski, *Cadres in French Society* (1987), 190.
[1563] Handy et al, *Making Managers* (1988), 90; OECD, *From Higher Education to Employment* (1993), 132.
[1564] AGCAS/7 (Working Party on Europe, 1973).

the data itself is more difficult to obtain on any consistent basis, but also because in practice professions such as law, accountancy and engineering were increasingly inter-woven with business in the sense that across the twentieth century increasing proportions of graduates going into them would work within companies.[1565] Professionals, therefore, are best seen as specialists inside the business community rather than a category of people avoiding business.

Nonetheless, there is evidence showing that, from the mid-nineteenth century onwards, the middle classes were increasingly attracted to business in general and engineering in particular.[1566] Figure 9.4 shows how public school boys increasingly sought their careers in business rather than in the professions.

Figure 9.4: Percentage of public schools boys entering various sectors of the economy



Sources: Adapted from Reader, *Professional Men* (1966), Appendix 2. Results pooled from six schools.

[1565] Hannah, *The Rise of the Corporate Economy* (1983), 72-79.
[1566] Sanderson, *Education and Economic Decline* (1999), 41.

Likewise, Acton Society Trust, in its 1956 survey of managers, found that whereas just 10% of those born before 1900 had attended a public school, this rose to between 20-30% of those born since 1918.[1567] This is all the more remarkable at a time when the total number of managers in Britain was growing quickly. This move into business was not confined to white collar activities in the commercial and financial areas. In his 1914 careers guide, for boys at public and grammar schools, George Williams devoted more than a hundred pages – almost a third of the whole book – to the various branches of engineering, noting 'at the present time a rush towards the profession'.[1568] Ex-public school boys like Leonard Lord in the motor industry and George Nelson at English Electric provided high profile role models.[1569] In the 1930s, another careers author reported that 'many boys today say they want to become engineers'.[1570] When Loughborough College launched an advanced course in production engineering, in the late 1930s, they found that their largest group of entrants came from public school boys.[1571]

After the war, public schools embarked on continued modernisation of their curricula, supported by money from a special Fund set up by leading companies, and launched special appeals to build engineering workshops and technical centres. By 1980, half of the boys leaving public schools would be studying engineering, science and medicine degrees.[1572] In the Public Schools Appointments Board annual survey of career intentions, between 1953 and the 1980s, the single largest category in almost every year

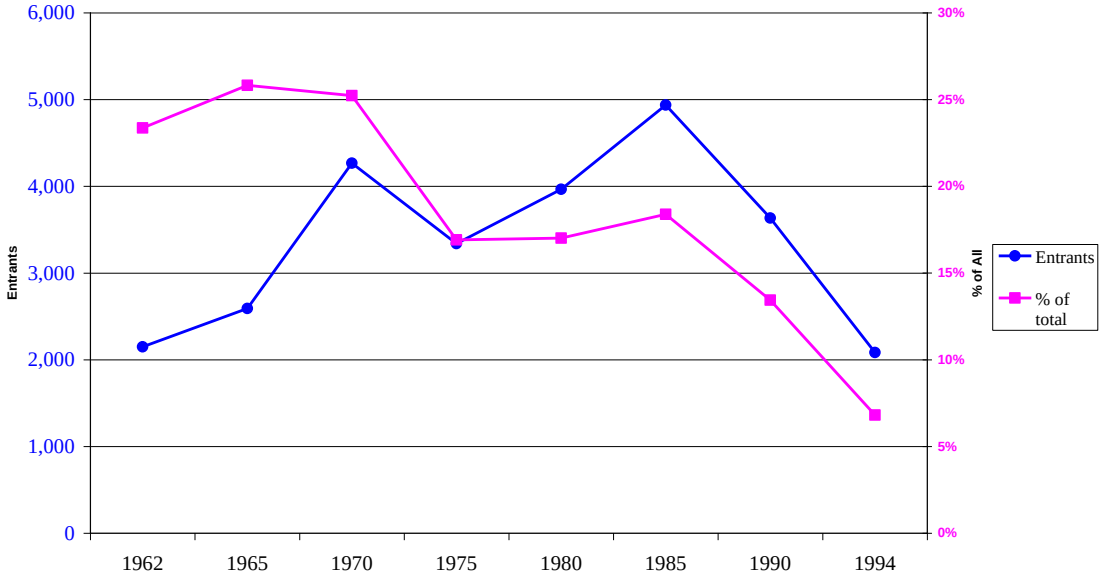
[1567] Acton Society Trust, *Management Succession* (1956), 14.
[1568] Williams, *Careers for Our Sons* (1914), 241.
[1569] Owen, *From Empire to Europe* (1999), 419.
[1570] Rubie, *Round Pegs* (1935), 182.
[1571] Letter from RH (Institute of Production Engineers), to HJP of Cochran & Co 07/11/38, APTB 14/13, piece 31.
[1572] Rae, *The Public School Revolution* (1981), 160-1.

was engineering, closely followed by either scientific work or business administration.[1573] Careers masters were frustrated, therefore, when, despite these facts, engineering companies remained fixated by the stereotype that 'our pupils did not wish to wear overalls and dirty their hands, and that we regarded engineers as second-class citizens'.[1574]

A generalised disinterest in engineering careers within manufacturing has been claimed by a string of official committees and reports. Those conclusions have been disputed by both economists and careers advisers who have cited frequent surpluses of scientists and technical graduates, leading to difficulties finding work and even emigration, aggravated by low starting salaries for entrants.[1575] From a recruitment perspective, the case of engineers within industry offers a study in sector-wide human resourcing problems that, however, can be explained without the need to resort to vague accusations about prejudice towards engineers. Figure 9.5 shows how about a quarter of all male graduates were entering engineering companies in the 1960s and that absolute numbers of male entrants (numbers of women were always low) increased by about two and a half times between 1962 and 1985. After 1985, not only did absolute numbers fall dramatically, but such entrants came to represent fewer than 7% of all employment destinations.

[1573] ISC/1/19/3/112, 9, for a summary of leaver returns 1954-1964, and ISC1/19/2 (1982/3), 22-3, for returns 1963-1983.
[1574] Philip Lewis in ISC1/19/3/150 (1974), 12-16.
[1575] Mason, *Are There Shortages of Engineers and Scientists in Britain?* (2001), 2-3; Greenaway & Williams, *Change in Graduate Employment* (1973), 123-9; BJH documents 13: 'Higher Education and Employment' (1973), 4.

Figure 9.5 Total number of male students entering engineering and related industries; percentage of those entrants as proportion of all male students entering employment



Sources: First destination statistics for respective years.

When conditions for the engineering industries were benign, in the period between 1945 and 1970, manufacturing firms were at the forefront of efforts to recruit and train graduates, including those from an arts background. The 1970-1 recession, however, saw drastic cuts in technical recruitment (numbers of undergraduates recruited into engineering dropped from 3,743 in 1970 to 2,408 in 1971) and raised doubts about the longer term prospects of engineering companies in the face of international competition. A large survey in 1968, of 5,000 graduates and other qualified people, also highlighted that those working in technical functions were especially likely to be dissatisfied with their work, especially when compared with their peers in marketing or outside manufacturing.[1576] Similar views were expressed in a survey of 3,000 graduates in 1991 with the difference that the rise of 'any discipline' recruitment made it increasingly easy

[1576] ISC1/19/3/129 (1968), 2.

for engineering graduates to find work in areas unrelated to their studies.[1577] It is worth noting that such results were replicated across thirteen developed countries in a 1995 study of 7,000 final year students, reflecting the decline of manufacturing fortunes across the OECD.[1578]

Business lobbying and governmental sympathy may have spawned another unintended result. The insistence upon increased *quantities* of engineering graduates led to entry criteria being relaxed as shown by a wider spread of A-Level qualifications than in the case for humanities degrees.[1579] This may have discouraged the most able potential candidates because, as an experienced careers adviser noted 'Bright youngsters are not attracted to study for courses which they feel can be entered by persons of lower ability'.[1580] This issue was recognised, and partially addressed, in the late 1970s by the launch of 'management-enhanced' courses with more demanding entry criteria.[1581] Such 'Dainton' graduates attracted more ambitious entrants who were more likely to later enter high-flier schemes in business, obtain higher salaries and reach senior management.[1582] The engineering institutions also noted, in evidence to the Finniston Committee of the late 1970s, that the main issue was not a lack of engineers as such but rather of ones with the requisite personal skills and qualities required to become managers.[1583] Firms in the chemical industry bemoaned the same problem in the 1980s, and the CBI reckoned that the issue was generalised across graduates from many

[1577] Unilever 1 ('UCMDS Fundamental Review' 1994), App IX.
[1578] Study cited in *Janus* (September 1995), 11.
[1579] Barry et al, *Engineers in Top Management* (1997), 65.
[1580] Avent, 'Laying the Foundations: School and Industry' (1982), 67.
[1581] Waller, 'Engineers as Managers' (1998), section 1:18-22.
[1582] Ibid, section 4:34.
[1583] Ibid, i, section 1:3.

technological disciplines.[1584] The problem may have deep roots: in 1939 Fairey Aviation complained that in their industry graduates tended to 'lack initiative and force in an executive capacity'.[1585] Indeed, when surveyed in the 1970s, chartered engineers themselves reported feelings of inadequacy in inter-personal skills compared with their colleagues, and this feeling extended as well to other types of business and financial knowledge in a later study.[1586]

By the 1980s, and in the context of deindustrialisation on the one hand and increased competition for top graduates on the other, many traditional manufacturing firms seem to have ceased aggressive recruitment. The disappointment of careers staff in independent schools was evident in complaints that even in the so-called Industry Year (1986) manufacturers 'have in many cases shown that they have neither the time, the money nor the will to devote to the cause' and 'the heavier the industry the lighter has been the response'.[1587] Two years later, the long-standing 'Engineering in the North' course for public school pupils was abandoned for lack of interest by recruiters, even as courses sponsored by services and financial companies boomed. In the universities things were little better: Cambridge blamed a sixth year of successive falls in recruitment to industry in 1991 on the fact that 'many industrial firms seem to have no coherent recruiting policy or strategy' or, less diplomatically, that too many 'deadbeat' recruiters were sent to universities offering 'poor training, lousy conditions and poor

[1584] Preece, 'Graduate Recruitment in the Chemical Industry' (1990), 102; NAB, *Transferable Personal Skills in Employment* (1986), 3.
[1585] APTB 14/13, piece 39.
[1586] Shaw, 'Engineers in the Boardroom' (1995), 162.
[1587] ISC1/19/2 (1986).

pay'.[1588] Individual firms who did offer better conditions were less likely to complain of skill shortages.[1589]

None of the analysis above, nor information from First Destinations data itself, can tell us whether the patterns described meant that business *needs* were being met. Defining such needs objectively is a fantasy of manpower planners, whilst surveys of employers produce mostly unreliable complaints. A scarcity of top talent is inevitable in an economy which can find many uses for it and a prominent careers writer says that representatives of many occupations always 'can be heard lamenting the apparent prejudice of secondary school leavers, pupils and parents against entry to their occupations'.[1590] One academic noted that, in the post-war period, intelligent men who did not pursue a professional career could choose between academia, the Civil Service and business and that 'From all three arose the plaintive cry that the other two had absorbed more than their fair share of the best men'.[1591] As the Atkinson Report on Civil Service recruitment confirmed, the fundamental issue is an inevitable limit to the numbers of first rate candidates and, whilst the qualities of 'the best' will differ from some extent between one job and another, there are sufficient similarities that a multiplicity of job offers are concentrated on a relatively small group.[1592] Identifying and attracting those people - 'skilled, spirited, and hopeful people who will exert their wills and imaginations' in Julian Simon's words - is the key test of recruitment.[1593]

The evidence above suggests that business in Britain probably did succeed in doing so, even if the success of particular industries may have varied over time.

[1588] CUCS AR (1991); Bill Kirkman (Interview).
[1589] Mason, *Are There Shortages of Engineers and Scientists in Britain?* (2001), 24.
[1590] Avent, 'Laying the Foundations: School and Industry' (1982), 65.
[1591] Masterman, *On The Chariot Wheel* (1975), 263.
[1592] Management and Personnel Office, *Selection of Fast-Stream Graduate Entrants* (1983), 6.
[1593] Simon, *The Ultimate Resource II* (1996).

9.2 Senior Management Composition and Quality

One personnel manager, active at senior level from the 1960s until the 1990s, felt that all his profession's work could be undone by the fact that, whereas techniques were employed to ensure that graduates met a series of criteria, personnel people were excluded from involvement in recruitment processes for positions whose salaries were higher than their own.[1594] Whereas his experience was that middle managers compared well with, for example, their American counterparts, British firms suffered from quality deficiencies at the top. He thought the views of one managing director were representative: 'I am strongly in favour of selecting and promoting competent managers – including some women. At Board level it is totally different. The Club atmosphere is crucial in the boardroom – much more so than expertise'.[1595] That atmosphere was ensured by executive search firms who, at least into the 1970s, worked largely in secrecy, were socially unrepresentative, and followed no professional codes of conduct.[1596] This is a worrying hypothesis but, to test its broader significance, we need to know to what extent initial recruitment decisions affected the pool from which executives are chosen, whether new sources of talent were tapped, and the extent to which variability in executive quality matters.

The effects of good recruitment quality for any given cohort are diminished to the extent that entrants leave before reaching middle and higher management. Whilst Figure

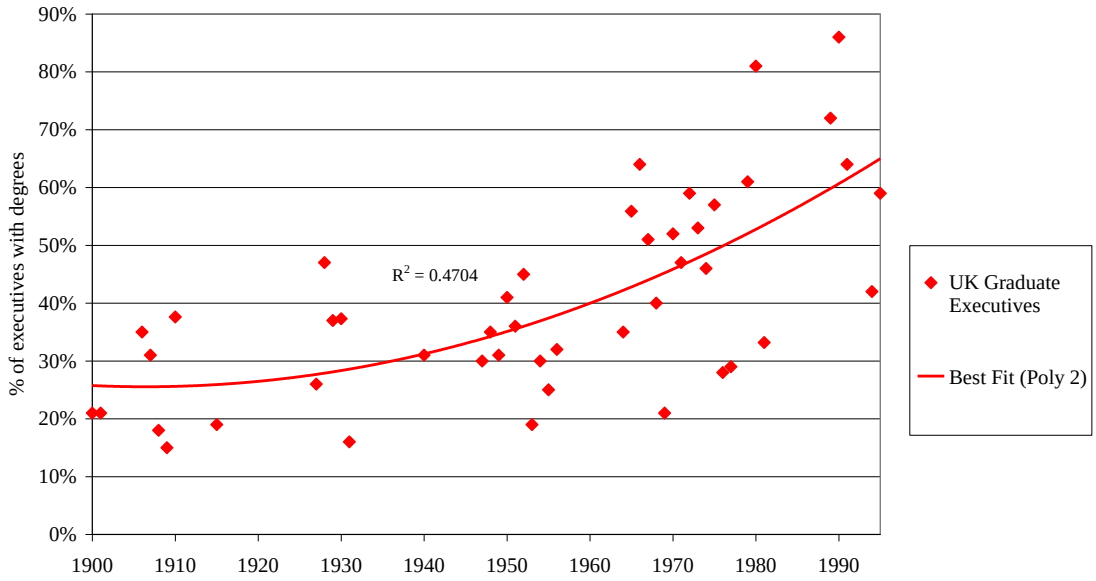
[1594] RSS/2: 'The Impact of Executive Search' (1985).
[1595] RSS/1: 'Is the Interview a Lost Cause?' (1979).
[1596] RSS/2: 'The Impact of Executive Search' (1985).

8.4[1597] showed losses of recruits in the first two years decreasing since the 1950s, the same is not true of losses after five years, with about half of entrants leaving. Neither has it increased, however, despite greater opportunities for job changing at mid-career level from at least the 1970s, partly due to the increasing role of executive search companies. In a 1997 survey, just 11% of graduates surveyed expected to stay with their first employer for more than six years.[1598] However, this last figure may be misleading, because the effects of changes in attitudes may have been over-dramatised generally, and because research on high-fliers in particular shows that they are less likely to change jobs than graduates generally.[1599] For example, of the top twenty-five British companies by value in 1990, twenty were led by people who had had long term careers in them.[1600] Studies of senior managers suggest that Britain experienced similar patterns to those in France and Germany, with about half drawn from salaried managers in the 1920s rising to about 90% in 1990.[1601] An internal review in Unilever found that, after fifty years, the core management development scheme had 'endured because it has consistently fulfilled its main objective of providing a substantial proportion of the people on the UK C and D lists...[executive grades]' including at least 50% of the British operation's top management.[1602]

Since it appears that a significant minority of educated entrants did stay within their firms long enough to become executives, the sorting effects of the educational system, and the business response to them, should be visible in the attributes of senior managers.

[1597] See 317
[1598] *High-Fliers* Survey 1997 cited in Sturges & Guest, *Should I Stay or Should I Go?* (1999), 5.
[1599] Sturges & Guest, *Should I Stay or Should I Go?* (1999), 6; Livingston, 'Myth of the Well-Educated Manager' (1971), 99; Holbeche, *High Flyers and Succession Planning* (1998), 18.
[1600] Jack Scrutton in AGR's 1991 Annual Conference Report.
[1601] Cassis, 'Big Business in Britain and France' (1995), 222.
[1602] *Final report of UCMDS,* Appendix I, 2.

Figure 9.6 Changing percentages of British senior managers and directors with degrees



Source: Jeremy, *A Business History of Britain* (1998), 394-5 for years 1900, 1907, 1909, 1929, 1931, 1954, 1956, 1973; Anderson, *Universities and Elites* (1992), 51 for years 1908, 1927, 1948, 1966; Aldcroft & Slaven, *Enterprise and Management* (1995), 96 for 1967, 1970, 1971, 1974, 1977; Broadberry, *The Productivity Race* (1997), 118 for 1975, 1979, 1989; Kaelble, 'Long Term Changes in the Recruitment of the Business Elite' (1980), 417 for 1910, 1915, 1930, 1940, 1950, 1965; Cassis et al (eds.), *Management and Business in Britain and France* (1995), 224 for 1907, 1929, 1953, 1972, 1990; Hannah, 'Human Capital Flows and Business Efficiency' (1992), 52 for 1980, 1990; Kakabadse et al, *Japanese Business Leaders* (1996), for 1995; Poole et al, *Managers in Focus* (1981), 47 for 1954, 1955, 1964, 1970, 1976, 1980; Mannari, *The Japanese Business Leaders* (1974), 83, 226 for 1952, 1968; Nicholas, 'The Myth of Meritocracy' (1999), 29 for 1900, 1950, 1995. Where points cover a range, mid-points used. Some points displaced by 1-2 years to avoid overlaps. Data is cross-sectional not longitudinal in nature, so sampling bases, definitions and methodologies vary between data points.

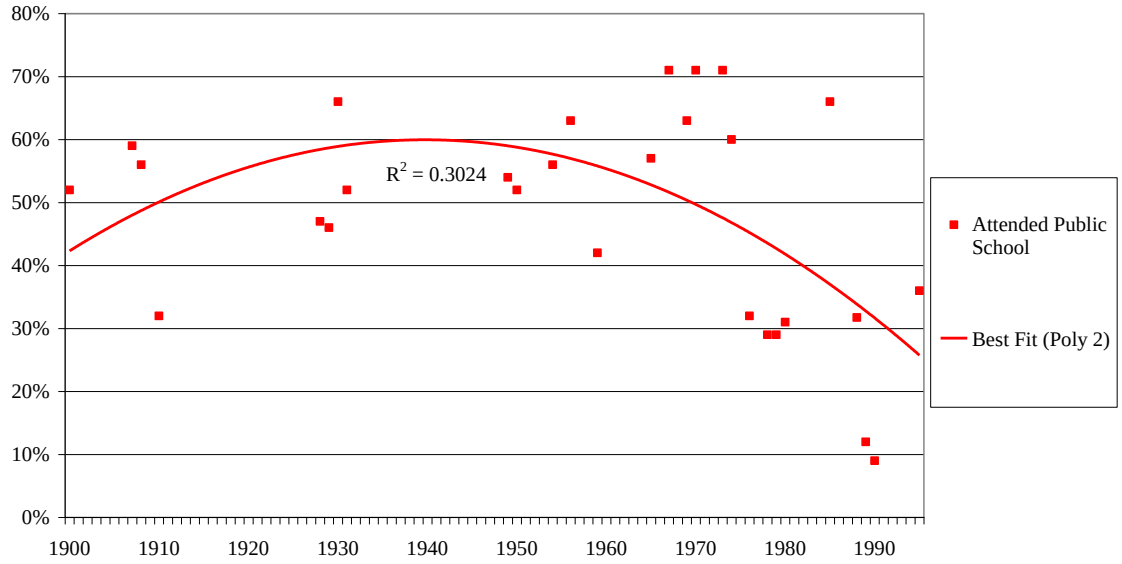
The multiplicity of surveys and studies used to create Figure 9.6, and their varying sample sizes and compositions, means that interpreting this data is tortuous. However, if we imagine that an average executive is fifty-five years old and left the education system between the ages of 14/15 and 22, then the effects of the 1902 Act (implemented over the following decade) should certainly be visible in the cohort born in 1900 who could have become executives in the years after the Second World War. Indeed Figure 9.6 does suggest a rising tendency around that time with a gradual but evident rise in

graduate executives from that point on. Corroborative evidence is provided by data on managers collected in the 1950s which finds that not only was the proportion of graduate managers ten times higher than graduates within the overall population, in the cohort born between 1895-9, but that that difference widened even more by the cohort born in 1920-5.[1603] The first beneficiaries of the 1944 Act were born from 1935 and would have entered executive ranks in the 1980s. Although there is no obvious inflection at that time the proportion of executives who were graduates had reached about two-thirds by the end of the decade and has continued to grow since.

A more dramatic illustration is provided in the proportion of senior managers who had attended public schools. The 'colonisation' of business by entrants educated at public schools from the mid-nineteenth century onwards[1604] involved the incorporation of people from relatively untapped social strata. Growth in private schools and in the proportion of their pupils entering business, as well as the fact that schools diversified their parental basis within the middle classes over time, meant that the effects of this grew in absolute terms for almost a century. But the two education Acts had the effect of greatly reducing the virtual monopoly held by fee-charging institutions over secondary education until 1900. We may observe a point of inflection around the time the effects of the 1902 Act had reached significant proportions, in the period from 1918 onwards (executives from 1950), with continued effects thereafter such that, by the late 1980s cohort, any statistical over-representation of the products of fee-paying schools was limited.

[1603] Acton Society Trust, *Management Succession* (1956), 15.
[1604] Figure 9.4 p.

Figure 9.7 Changing percentages of British senior managers and directors who attended public schools



Source: Jeremy, *A Business History of Britain* (1998), 388 for 1907, 1908, 1930, 1931, 1954, 1956, 1974; Anderson, *Universities and Elites* (1992), 51 for 1910, 1928, 1949, 1965; Cassis et al (eds.), *Management and Business in Britain and France* (1995), 224 for 1929, 1990; Aldcroft & Slaven, *Enterprise and Management* (1995), 96 for 1967-1973, 1976; Lee, *Who Gets to the Top?* (1981), 56 1979; Poole et al, *Managers in Focus* (1981), 46 1980; Hannah, 'Human Capital Flows and Business Efficiency' (1992), 52 1979, 1989; Nicholas, 'The Myth of Meritocracy' (1999), 29 for 1900, 1950, 1995; Walford G (ed.), *Private Schools in Ten Countries* (London 1989), 16 for 1985. Where points cover a range, mid-points used. Some points displaced by 1-2 years to avoid overlaps. Data is cross-sectional not longitudinal in nature, so sampling bases, definitions and methodologies vary between data points.

As in the case of permanent secretaries in the Civil Service or senior generals in the Army, the proportion of those from the higher status public schools and/or from a gentry background decreased over time, with a corresponding growth in those from humbler middle class backgrounds and from fee-paying grammar schools.[1605]

By the mid-1960s, more than half of the industrial managers considered in one large study had attended grammar schools.[1606] The proportion was even higher by 1980.[1607] The possibility that these managers would reach the boardroom was dismissed by

[1605] Barberis, 'Permanent Secretaries in the British Civil Service' (1989), 188; Razzell, 'Social Origins of Officers in the Indian and British Home Army' (1963).
[1606] Sofer, *Men in Mid-Career* (1970), 186.
[1607] Poole et al, *Managers in Focus* (1981), 46.

Stanworth and Giddens.[1608] But, already in 1977, a survey of the top 30 companies on the London Stock Exchange found that eighteen of the managing directors were from relatively modest backgrounds and had almost all attended grammar schools.[1609] In the City of Coventry, around 1980, about 43% of company directors over the age of fifty had attended grammar schools, but no fewer than 63% of those under fifty had done so.[1610] Between 1979 and 1989 the numbers of chairmen of the largest fifty UK companies who had attended fee-paying schools dropped from twenty-nine to twelve, and the number from the top schools fell from nine to just one. As Hannah notes, this 'astonishing change' was not due to a decline in interest in business by the upper classes – on the contrary – but due to the effects of increased competition.[1611] This new generation of executives reached their positions at just the time when liberalisation, increased competition, and the consequent economic revitalisation of the 1980s and 1990s, allowed them to address what they believed had been a post-war decline of business leadership.[1612]

This suggests that, at least as regards the formation of business leaders, the initially narrow educational ladder for bright young people offered the possibility of social mobility from at least the 1920s onwards, even if at societal level it took many years for educational opportunities to become more equal. This confirms Howard Rubie's claim in the 1930s, when presenting his 'price list of careers', that it was business which offered by far the greatest number of opportunities to reach well-employed senior

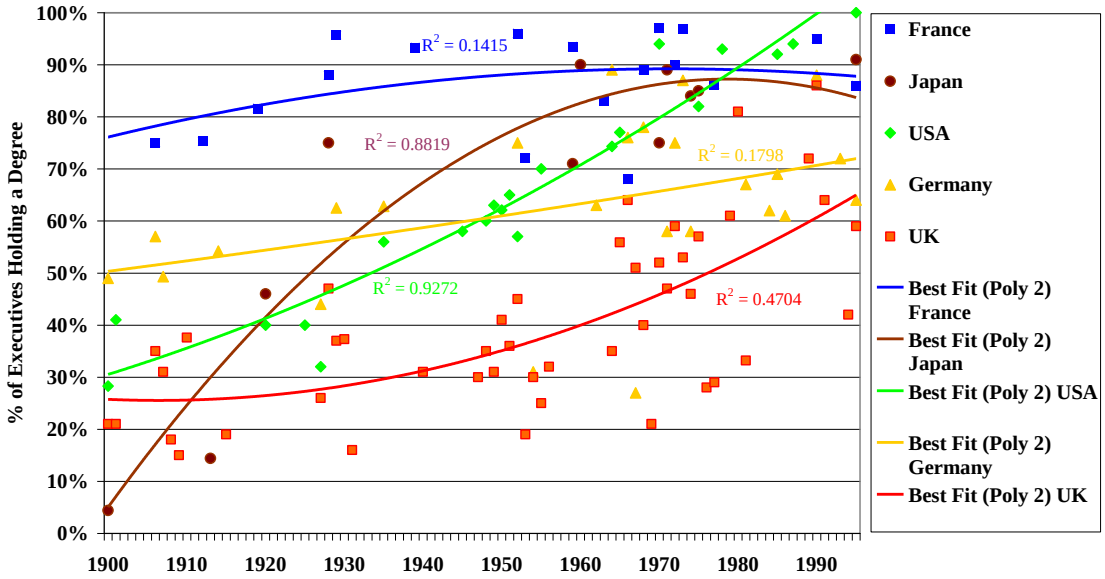
[1608] Wilson, *British Business History* (1995), 219.
[1609] Heald, *Networks* (1983), 86.
[1610] Lee, *Who Gets to the Top?* (1981), 55.
[1611] Hannah, 'Human Capital Flows and Business Efficiency' (1992), 52-55.
[1612] Owen, *From Empire to Europe* (1999), 423; Clutterbuck & Crainer, *The Decline and Rise of British Industry* (1988), 381.

positions and, as such, it was more open socially when compared with the professions.[1613]

It has been a commonplace to note that fewer British managers have possessed graduate qualifications than their counterparts in other countries. Figure 9.8 reconfirms this but, by marking best fit lines for the various studies recorded, also underlines that the trajectory for qualification growth has been specific to each country, suggestive of varied situations, especially as regards the supply of qualifications. But how should we compare the likely economic effects of these different experiences? The argument made in Chapter 3 was that reliance on qualifications to identify ability is appropriate to the extent that the educational system sorts talent efficiently, with no major sources of talent excluded. Otherwise such reliance becomes a credentialism that is not only discriminatory but economically limiting, unless robust arrangements exist for bright uneducated young people to rise by other means. There are reasons to believe that, to varying degrees, the four comparator countries may have expanded their education systems without drawing out their populations' talents more than in the UK.

[1613] Rubie, *Round Pegs* (1935), 94.

Figure 9.8 Changing percentages of senior managers and directors with degrees from five countries



Source: **UK Data**: same as Figure 9.6; **German data**: Jeremy, *A Business History of Britain* (1998), 395 for 1900; Cassis et al (eds.), *Management and Business in Britain and France* (1995), for 1906, 1952, 1973; Kaelble, 'Long Term Changes in the Recruitment of the Business Elite' (1980), 417 for 1914, 1927, 1929, 1935; Broadberry, *The Productivity Race* (1997), 119 for 1954, 1966, 1981, 1985, 1986, 1993; Lee & Smith, *Engineers and Management* (1992), 82-5 1962, 1964, 1967, 1971, 1972; Mannari, *The Japanese Business Leaders* (1974), 226 1968; Handy et al, *Making Managers* (1988), 135 1974; Witte, 'Germany' (1989), 156 1984; Kakabadse et al, *Japanese Business Leaders* (1996), 13 1995. **US data**: Kaelble, 'Long Term Changes in the Recruitment of the Business Elite' (1980), 417 for 1900, 1925, 1927, 1950, 1952; Jeremy, *A Business History of Britain* (1998), 395 1901, 1920; *Economist*, 'Tough at the Top: A Survey of Corporate Leadership', 25/10/2003 9 for 1935, 1945, 1955, 1965, 1975, 1985, 1995; Mannari, *The Japanese Business Leaders* (1974), 83, 198 for 1949, 1970; Swords-Isherwood, 'The Reluctant Manager' (1977), 172 1951; Campbell et al, *Managerial Behavior, Performance, and Effectiveness* (1970), 24 1964; Wright Mills, *The Power Elite* (1956), 128 1950. **French data**: Cassis et al (eds.), *Management and Business in Britain and France* (1995), 224 for 1906, 1928, 1952, 1972; Kaelble, 'Long Term Changes in the Recruitment of the Business Elite' (1980), 417 1912, 1919, 1929, 1939, 1959, 1973; Mannari, *The Japanese Business Leaders* (1974), 226 1968; Jeremy, *A Business History of Britain* (1998), 395 1970; Kakabadse et al, *Japanese Business Leaders* (1996), 13 1995; Swartz, 'French Corporate Leadership (1986), 60 1978; **Japanese data**: Handy et al, *Making Managers* (1988), 13, 28 for 1900, 1913, 1928, 1960, 1975; Mannari, *The Japanese Business Leaders* (1974), 83, 198 1920, 1959, 1971; Jeremy, *A Business History of Britain* (1998), 395 1970, 1974; Kakabadse et al, *Japanese Business Leaders* (1996), 13 1995. Where points cover a range, mid-points used. Some points displaced by 1-2 years to avoid overlaps. Data is cross-sectional not longitudinal in nature, so sampling bases, definitions and methodologies vary between data points.

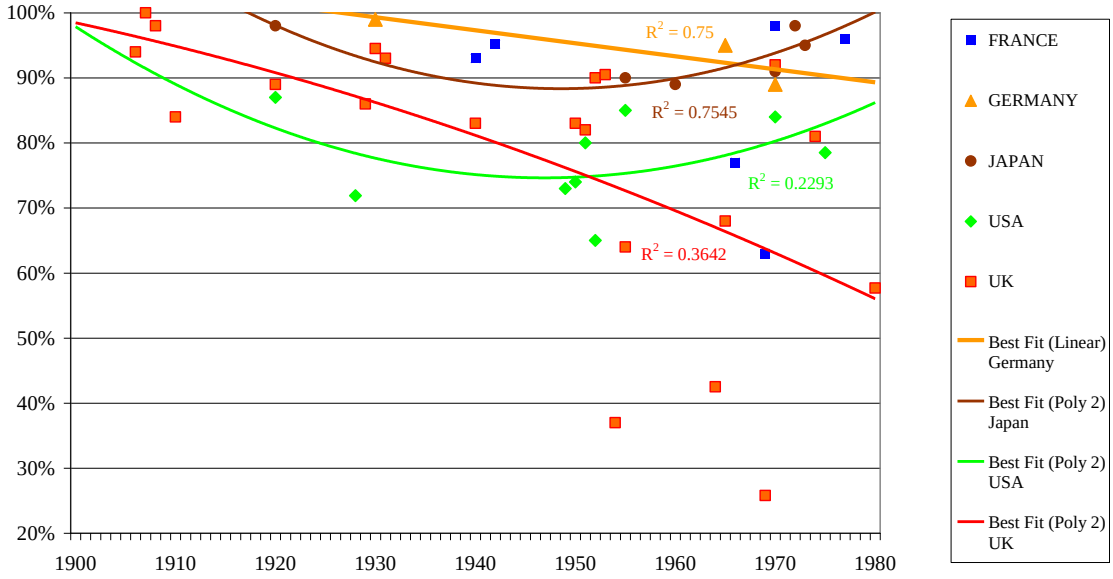
This is a surprising conclusion in the context of the generally higher attainment of upper secondary education across multiple cohorts, since 1945 and until recently, in Japan,

Germany, and the USA (France was somewhat lower), and the higher flows of young people into institutions of higher education.[1614] It is also counterintuitive when Figure 9.8 shows a faster promotion of graduates into management in the other countries, suggesting that firms found it easier to recruit talent from a single educational stream, something that in theory would facilitate efficient sorting by ability. Indeed, in general, it probably did so, but was counterbalanced by the ways in which entry into elite educational institutions was dominated by the upper social strata, and the focus that business gave to recruiting from these institutions.

Insofar as educational and initial recruitment have long term effects on the social composition of senior managerial ranks – and there are of course other factors involved – an examination of Figure 9.9 provides a rough idea as to whether talented people from outside the higher classes were able to reach senior positions. Although the number of data points for some countries are insufficient to support strong conclusions, it can safely be said that senior management (like other elite occupations) has been dominated internationally by people originating in social classes I and II. However, in the UK, and from the 1950s onwards, there appears to have been a significant growth in the proportion of executives from outside those classes, to an extent apparently not matched by other countries.[1615] This is despite the fact that classes 1 and 2 grew from 18% of males born pre-1900 to 42.3% in the 1950-9 cohort.[1616]

[1614] OECD, *From Higher Education to Employment* (1993), 28.
[1615] Jeremy, *A Business History of Britain* (1998), 385-6.
[1616] Heath & Payne, 'Twentieth Century Trend in Social Mobility', 9-10.

FIGURE 9.9 Percentage of senior managers and directors with fathers in occupational classes I & II



Source: **UK Data**: Jeremy, *A Business History of Britain* (1998), 384 for 1906-8, 1930-1, 1952-3, 1974; Anderson, *Universities and Elites* (1992), 51 1910, 1929, 1950, 1965 (N.B. occupational classes I – III); Mannari, *The Japanese Business Leaders* (1974), 61, 192 1920, 1940, 1951, 1955, 1970; Bamber & Snape, 'Britain' (1989), 19 1954, 1964, 1969, 1980. **German data**: Jeremy, *A Business History of Britain* (1998), 385 1930, 1965; **US data**: Mannari, *The Japanese Business Leaders* (1974), 61, 192 1920, 1950, 1955, 1970; Jeremy, *A Business History of Britain* (1998), 385 1951; Wright Mills, *The Power Elite* (1956), 128 1950; Taussig & Jocelyn, *American Business Leaders* (1932), 78 1928; Warner & Abegglen, *Big Business Leaders in America* (New York 1955), 25 1952; Sturdivant & Adler, 'Executive Origins (1976), 128 1975; **French data**: Jeremy, *A Business History of Britain* (1998), 385 1942; Mannari, *The Japanese Business Leaders* (1974), 220 1970; Swartz, 'French Corporate Leadership' (1984), 1977; Marceau, Class and Status in France (1977), 134 1966; **Japanese data**: Mannari, *The Japanese Business Leaders* (1974), 61, 192 1920, 1955, 1960, 1970; Jeremy, *A Business History of Britain* (1998), 385 1972. Data is cross-sectional not longitudinal in nature, so sampling bases, definitions and methodologies vary between data points.

One implication of these surprising conclusions is that, at first sight, the link between credentialism on the one hand, and success in inclusive sorting of talent on the other, is weak. Consequently, explanations for the phenomenon of qualification inflation may be found instead in the role of government in promoting credentials, theories of links between economic development and credentials, and theories of competition for social

status.[1617] As Bils and Klenow summarised their work in this field 'Growth generates education whether or not education generates growth'.[1618]

How important were such effects for company performance? Except in the case of business heroes, such as Alastair Pilkington at Pilkington's or Jack Welch at GE, or the villains of corporate disaster like Nick Leeson at Barings or certain executives at Enron, most executives probably have significant but not decisive influence over results. Some studies have concluded that individual leadership accounts for 'only' 10-15% of the variance in performance of organisations but, given unexplained variance and other factors outside of anyone's control (macroeconomics), this makes leadership one of the key influences.[1619] Within organisations this implies that if the most able individuals reach the key decision-making positions, forming a 'pyramid of ability', then the productivity of everyone is enhanced.[1620] Variability of performance seems to increase as the levels of responsibility increase, so that the difference between top performers and the average in terms of output increases from 19% in clerical work to between 32-120% in managerial/sales positions.[1621] For example, in studies within a large British drinks retailer and a network of car distributors, significant correlations were demonstrated between management quality and the engagement of their employees in their work.[1622] A study at Harvard found that this variability in executive performance differed between industries, being especially high in the hotel sector (41% of profitability attributable to influence of boss) and low in the paper industry, averaging 14% overall.[1623] A detailed

[1617] Rubinstein, *Capitalism, Culture and Decline* (1993), 59; *Assessment in Education* 5, 33, 191.
[1618] Cited in Wolf, *Does Education Matter?* (2002), 45.
[1619] Fiedler & House, 'Leadership Theory and Research' (1988), 82-3.
[1620] Reisman, *Capitalism* (1999), 357.
[1621] Butteriss, *Reinventing HR* (1998), 254; Axelrod et al, 'War for Talent, part two' (2001).
[1622] Buckingham, 'Clone-Free Zone', (1999), 44.
[1623] 'Survey of Corporate Leadership', *Economist* (25/10/2003), 7.

study on the "root causes" of growth patterns of fifty American companies, over the last fifty years, found that senior team composition, as well as general talent shortages, together represented just 18% of the explanations for slow downs in growth. However, the same study attributes much of the rest to strategic mistakes which are also, presumably, influenced by management quality.[1624] PEP's differentiation in 1960s Britain between companies they described as 'Thrusters' or 'Sleepers', across six industries, shows that many of the 59 criteria used related to executive attitudes and quality and were correlated with sales growth.[1625] They conclude that '...the growth of the economy as a whole depends on the efficiency and growth of the individual firms and these, in turn, are determined largely by the men who manage them'.[1626] This would suggest that when firms are not performing well it may often be profitable to change executives: a hypothesis that was successfully investigated by hostile bidders like Lord Hanson in the 1980s.[1627] Separate work by consultants McKinsey reckons that low labour – and total factor – productivity within British manufacturing can be attributed to three main factors, of which one is talent management, and that the effect of this can be demonstrated in medium term financial outcomes.[1628]

[1624] Corporate Executive Board, 'Stall Points' (1998).
[1625] PEP, *Thrusters and Sleepers* (1965), 189-195, 207.
[1626] Ibid, 15.
[1627] Emmott, 'A Survey of Business in Britain', *Economist* (20/05/1989), 34.
[1628] Dowdy & Dorgan, *Reviving UK Manufacturing* (2002), 9-15.

Conclusions

The thesis began by reporting a series of criticisms of business recruitment practice for educated young people. The introduction argued that that critique suffers from an insufficiency of evidence, as well as a lack of an appropriate framework within which to understand recruitment historically. Consequently, to test claims of failure, this document needed to establish what businesses ought to have done given their objectives and constraints, as well as seeing what actually happened. The data used to pursue this strategy, whilst extensive, is not in itself conclusive, and therefore the main narrative is suggestive but cannot be decisive. Better information about initial recruitment addresses only one of many influences on senior management formation and competence. Nonetheless, in summarising the chapter conclusions above, business efforts in the area of recruitment for future managers bears only partial resemblance to the caricature presented in much of the critique, even in some of its more nuanced forms.

Business ambiguity about hiring all classes of graduates was motivated by a healthy focus on finding bright young people: until, say, the 1950s the majority of such people were to be found in secondary schools or already working, and hiring less able graduates over their heads was neither rational nor fair. Universities became the preferred hunting ground once the relative concentration of the brightest there became clear. Within the University system the early preferences in favour of Oxbridge was not due to a simple bias towards prestige – the two universities were amongst the largest producers of graduates until the 1950s, had a traditionally higher proportion of their graduates entering business, and had pioneered recruiter-friendly infrastructure. They were also increasingly able to attract the brightest young people as students.

Recruiters' supposed bias against vocational qualifications has been exaggerated overall, and differences with the situation abroad were less stark. To the extent that there were differences this is because particular qualifications in non-technical areas were not economically crucial, whilst firms gave higher priority to courses which more able young people wanted to study. The importance given to personal skills was both legitimate and consistent over time, and partly explains the rise of "any-discipline" recruitment. The content of training does not form a focus for this study, but the number of schemes, including those created for potential high-fliers, proliferated after 1945.

Several developed countries, including Britain, made a transition from informal patronage methods of recruiting to more formalised ones in the first half of the twentieth century. Although Britain's institutions took longer to emerge than those in the USA, they formalised more quickly than those of Germany and France. The same is broadly true of the use of selection instruments, with Britain avoiding the use of the worst tools and adopting better ones faster than other European countries.

Britain, also like other countries, saw an increasing proportion of its educated young people at both secondary and university level, enter business careers. Although it is hard to say whether that flow met some notional standard of national need, the evidence suggests that, for most of the post-war period, business was not worse off than the Civil Service in attracting talent and business took an increasing share of top talent. This includes middle class people attending public schools (and universities) whose involvement in business careers grew steadily from the nineteenth century onwards and who dominated a large proportion of senior positions until recently.

Business recruitment was not unaffected by explicit preferences with regard to class, gender or race, and this situation persisted into the 1960s and 1970s. But it was

hardly unique in this and the best cure for it – reliable information on individual attributes – was ensured by the improving sorting capacity of the education system and better selection tools. The barriers to talent rising, whilst considerable for much of the period considered, were probably lower than abroad, and were not of a magnitude to prevent the 'circulation of the elites'.

None of the issues above points to a recruitment system that, judged either by its own efficiency, or by its outputs in terms of eventual business elite composition, suggests an explanation for significantly worse performance than other comparable countries. In this context it seems appropriate to consider three further themes by way of conclusion: What could explain the divergence between the vehemence of some accusations against businessmen and the weak evidential base for them; which features, if any, of the British education-recruitment system more generally might have been unusual and economically deleterious; if the focus on treating recruitment history as only an input to the economic decline debate is relaxed, what other questions remain of interest for economic and business historians?

A major divergence between reality and interpretation can be explained by at least two possibilities. Firstly, that incomplete evidence points strongly in one direction before later being corrected as other evidence replaces it. Whilst there is some sign of this, for example in the case of the role of public schools as debated by Wiener and Rubinstein, much of the critique based itself upon limited evidence and proxies that stood at several inferences removed from the conclusions drawn, e.g. the attempt to judge business attitudes towards the recruitment of graduates based on figures showing executive qualifications up to forty years later. The second explanation for the divergence is that an interpretation became so intrinsically compelling, for ideological or

other reasons, that the limited evidence was employed more for support than illumination.

It has been argued that the declinist critique can be considered as much an episode of intellectual history as a substantive problem of economic history. Tomlinson, for example, has distinguished between the 'alleged fact of "decline" as measured by chosen economic variables, from "declinism" as an often virulent ideology'.[1629] Another analysis of the debate considers that the explanandum is 'not national decline, but the mood of declinism itself' and the 'jeremiads' produced by parts of the 'bourgeois intelligentsia'.[1630] Two German commentators think foreigners might 'gain the impression that the English have a strongly pessimistic characteristic they call their own'.[1631] Both the left and right of politics have sought to gain advantage from the concept of decline since this paradigm caught politicians' attention around 1960, ensuring that it would thereafter be 'politically constructed'.[1632] Nonetheless, ideological fervour reached its peak in the 1970s and the terms of the debate were primarily set by a left-of-centre tendency that had become disillusioned with incremental social and economic reform. The effects were felt far beyond economic history. The discipline of psychology was affected by 'political paranoia and moral exhibitionism' which led psychological testing to the status of 'controversy, debate, and downright calumny'.[1633] Careers advice became 'topical and controversial' and there was a new awareness that the whole area of allocating life chances was 'profoundly political'.[1634] The study of

[1629] Tiratsoo (ed.), *Management in Post-war Britain* (1999), 165.
[1630] Clark quoted in English & Kenny (eds.), *Rethinking British Decline* (2000), 139.
[1631] Eberwein & Tholen, *Euro-Manager or Splendid Isolation?* (1993), 55-6.
[1632] Gamble, 'Theories and Explanations of British Decline' (2000), 4-5; Tomlinson, *The Politics of Decline* (2000).
[1633] Pinker, *The Blank Slate* (2002), 106; Eysenck, *Intelligence* (2000), 7, 187.
[1634] Peck, *Careers Services* (2004); Watts, 'Socio-Political Ideologies in Guidance' (1996), 351.

leadership entered ‘a slough of despair in which some of our colleagues seem to wallow with such gusto’.[1635]

Britain is not unique in having suffered from a mood of defeatism and melancholy. In the 1960s a generation of French historians emphasised French ‘backwardness and slowness... [France’s] handicaps were overstated and her advantages neglected’.[1636] A 1980s comparison of French and German executives shows a definite dislike for a French model that encouraged ‘playing Monopoly’ rather than being entrepreneurial.[1637] The recent recession has encouraged new French self-criticism.[1638] Germany has undergone similar periods of self-doubt regarding its education system. In the late 1950s, a major survey of science and education reckoned that the country was lagging and would be constrained by its weaknesses, and Georg Picht coined the term ‘Bildungskatastrophe’[1639] to describe the risks he saw.[1640] In the 1990s, worries surfaced that hard-headed post-war entrepreneurs are being replaced by ‘fair weather captains’, who are presiding over the crumbling of competitive advantage even in core areas of manufacturing.[1641] Weak economic performance in the 1980s, and thereafter, encouraged comments regarding 'Eurosclerosis' in comparison with Asia and America.[1642] Recent Japanese economic difficulties have also provoked worries that the post-war generation of business builders have given way to an inert and mediocre

[1635] Fiedler & House, ‘Leadership Theory and Research’ (1988), 87.
[1636] Cassis, ‘Big Business in Britain and France’ (1995), 6.
[1637] Bauer & Bertin-Mourot, *'Les 200' en France et en Allemagne'* (1991), 84-7.
[1638] Baverez, *La France qui Tombe* (2003).
[1639] Education catastrophe.
[1640] Hufner et al, *Higher Education and Manpower Planning in Germany* (1977), 53.
[1641] Mason & Wagner, *High Level Skills* (2000); Green & Sakamato *The Place of Skills in National Competition Strategies* (2000), 72-4; Strasser, cited in Eberwein & Tholen, *Euro-Manager or Splendid Isolation?* (1993), 42.
[1642] Collins & Robbins (eds.), *British Culture and Economic Decline* (1990), 124.

managerial class, with improvement hampered by an ineffective educational system.[1643] However, these criticisms have not been as vitriolic as that in Britain, perhaps because, with the possible exception of France, the preoccupation with class conflict was less pronounced.[1644]

The ideological preoccupation has deflated with time, but concerns about management formation remain amongst historians, albeit now expressed in sober and nuanced language. Even if the overall success of business recruitment of potential managers were accepted, economic historians can reasonably ask what other constraints may have limited the positive effects of recruitment and whether the system created had side effects – i.e. might the conclusions of this thesis simply show that competent managerial recruitment was a necessary but insufficient condition for successful management performance?

In the context where Chapter 3 in particular laid heavy emphasis on the reaction of business to changes in the supply of qualifications, the first possibility is simply that education reform at primary and secondary level may have occurred too late. This would ensure that business was deprived of useful information on the relative abilities of young people and was forced to use less objective and comparable information in judging candidates for jobs. Talented young people without patronage contacts would be less likely to rise to positions of responsibility and, consequently, business was only able to tap larger numbers of secondary school pupils and graduates from the 1920s and 1950s onwards respectively, with effects on executive ranks thirty years later. This argument is plausible and would potentially reconcile the argument here with a moderate version of

[1643] Morikawa, 'The Top Management of Large Scale Enterprises in Post-War Japan' (1997).
[1644] Bauer, *Class on the Brain* (1997), 24.

the critique. Scotland provides a limited counterfactual test of this since its educational system developed faster than in Britain and was less affected by the complexities of the English class system. Nonetheless, Scotland did not perform better economically than England.[1645]

A second possibility is that, regardless of the success of the recruitment system, post-entry arrangements - especially management training and education - ensured that managers were worse prepared for competition than their counterparts abroad. Despite the extensive literature on this subject, it is hard to draw strong conclusions about this hypothesis at national level because the British system post-war was characterised primarily by its heterogeneity: 'Though there may just be a Japanese model, there is no one system of management development in Britain'.[1646] Instead at least four distinctive strands of management developments have been identified as operating in parallel.[1647] At firm level the effects of training on management capability are hard to demonstrate for some of the same reasons as in the case of recruitment: the effects of the most relevant training is spread over a long period and is hard to distinguish from all the other factors involved. It may no longer be the case, as one 1961 study put it, that there is an 'almost complete lack of evidence for the effect of training on managers', but a conclusive demonstration of that effect is still lacking.[1648]

Given the economic and political situation of Britain until at least 1945, with its imperial and international roles, it might be that, until then, business faced a kind of competition for high-fliers not typically faced by business abroad. In the 1920s, whilst

[1645] Ibid, 20-1; Anderson, *Universities and Elites* (1992), 29.
[1646] Stewart et al, *Managing in Britain and Germany* (1994), 159, 193; Storey et al, *Managers in the Making* (1997), 228.
[1647] Handy et al, *Making Managers* (1988), 7.
[1648] Harrell, *Managers' Performance and Personality* (1961), 7.

the Colonial Service noticed that companies were 'more alive to the value of the type of man we seek to attract', they competed with British based companies by offering the possibility of exotic travel, early responsibility, and a sense of mission.[1649] There are examples of Oxford graduates, for example, who joined business firms having found that opportunities for graduates abroad were disappearing with the Empire.[1650]

It may be that the focus on the recruitment or the business elite is misplaced compared with far more serious problems at lower levels. Multiple studies have found that the British production of graduates, including those in technological disciplines, has been at least comparable to that abroad for decades.[1651] Even the phrase 'high skills elite model' has been used to describe the recent situation.[1652] This matches with, for example, a British specialisation of international trade in products that require high skills. The downside is that the very same studies point to long-standing deficiencies in intermediate and basic skills amongst the workforce which leaves an overall situation of economic and social polarisation.[1653] Broadberry and others have argued that such a situation is explained by a British attempt to copy American mass production methods in manufacturing, unlike, for example, Germany. The cost was the sacrifice of traditions of thin management placed over well-qualified workers in favour of a large management stratum controlling indifferently educated workers.[1654] This hypothesis correlates with, and perhaps might explain, business attitudes in favour of a ladder of opportunity for the brightest children but lack of enthusiasm for more broadly based education of all young

[1649] Heussler, *Yesterday's Rulers* (1963), 35, 210.
[1650] Dunsmore, *Remember Your First Job?* (1992), 8, 16, 28.
[1651] Prais, *Productivity, Education and Training* (1995), 20-1, 29; IRS, 'Graduate Survey' (2000), 8; Sanderson, *Education and Economic Decline* (1999), 92; Green & Sakamoto, *Skills in National Competition Strategies* (2000), 63, 67-8.
[1652] Green & Sakamoto, *Skills in National Competition Strategies* (2000), 63, 67-8.
[1653] E.g. Sanderson, *The Missing Stratum* (1994).
[1654] Broadberry, *The Productivity Race* (1997), 292, 396-7; Toms & Wilson, 'The Evolution of British Business?' (2001), 5; Gamble, 'Theories and Explanations of British Decline' (2000), 6.

people to the age of eighteen. The result was that, in 1963/4 international tests of mathematical ability, Britain was second only to Japan in obtaining high scores, but also had the highest proportion in the lowest category.[1655]

Discarding Wiener's dictum that 'The leading problem of modern British history is the explanation of economic decline' points the way forward to new and interesting questions.[1656] If recruitment has contributed to economic performance at company or national level, which aspects have been most valuable? What are the roots of rejuvenation, and not just those of sclerosis?[1657] Was the appearance of those constructive elements contingent on factors that may have disappeared and will produce effects in the future? After all, one long-term recruiter for Ford UK reckoned that he had experienced the 'best period of graduate recruitment' in the 1970s and 1980s.[1658] The collapse of the milkround, after major restructuring in the corporate sector, and an expansion of higher education, may later appear like the end of a chance combination of positive factors.

The perceived need to debate recruitment experience at national level has stunted other perhaps more promising areas of research. Both previous work, and the research for this thesis, has found that recruitment patterns can vary dramatically by industry.[1659] Testing the economic role of recruitment, and the changes in interactions with recruitment markets, might best start at company and industry level. Might a renewed enthusiasm for networks in economics and sociology allow for a reassessment of the efficacy of informal recruitment methods, following the path laid out at worker level a

[1655] Prais, *Economic Performance and Education* (1993), 22, 26.
[1656] Wiener, *English Culture and the Decline of the Industrial Spirit* (1981), 1.
[1657] Abramovitz, 'Catching Up' (1986), 404.
[1658] David Warrell (Interview).
[1659] Erickson, *British Industrialists* (1986), 105ff.

generation ago?[1660] If one accepts the premise that merit as an operational concept must include personal and inter-personal skills that are hard to measure, is there a robust way of identifying whether recruitment at firm level, or levels of national social mobility, can be described confidently as meritocratic?

The debate about the role of initial recruitment can confidently be predicted to continue because the topic deals with a key moment when graduates of the education system are assessed for their potential contribution to economic and social life. So it is close to one of our central preoccupations: how to define and reward merit. This topic has always been contentious for liberal societies. As Samuel Johnson predicted, when a conversation partner argued that merit should constitute the only distinction amongst men:

> "What Sir, mankind have found that this cannot be. How shall we determine the proportion of intrinsic merit? Were that to be the only distinction amongst mankind, we should soon quarrel about the degrees of it all."[1661]

So it has proven.

[1660] Granovetter, *Getting a Job* (1995), 5, 127-8, 139-141.
[1661] Boswell, *Life of Johnson* (1980), 312-3.

Appendix 1: Databases

Main database

Figure A.1 Main Sources of Data Points and Their Time Coverage

Main Database Sources	Data points[1662]	Coverage
Cambridge University Careers Service archives – company files	205	1930s to 1970s
CSU: *Clearing House Lists*	425	1967-1972
Directory of Opportunities for Graduates	751	1955-1970
Directory of Opportunities for School Leavers	468	1960-1970
Graduate Employment and Training	1,055	1978-1990
Graduate Opportunities	312	1979-1990
Independent Schools Careers Organisation – *Bulletin*	338	1965-1994
Job Book	505	1978-1998
Journal of Careers	226	1920s to 1940s
National Institute of Industrial Psychology – company files	137	1950s to 1973
Oxford University Careers Service papers – company files	394	1920s to 1990s
Prospects	63	2000-2001
Public Schools Appointments Bureau – card file	405	1940s to 1973
British library – assorted careers directories	76	1980s
Total from all other sources	1,032	
TOTAL DATA POINTS	6,392	

Due to varying levels of detail in sources and between time periods, not all data points provide equal coverage of how a company is structuring its vacancies. The table below provides a general indication of how well the database covers certain key parameters. The survey periods before 1957-60 would score lower on all of these, the others higher.

[1662] Each data point is an entry for a company in a single year for a specific type of vacancy, including information on company characteristics, nature of the vacancy and the qualification requirements.

Figure A.2 Coverage by Data Points of Vacancy Variables

Variables	Number of points	% of vacancy data points (total = 5,459)
Level of qualifications sought	5,372	98%
Type of work	4,650	85%
Stream of entry	4,413	81%
Subject preferences	3,223	59%
Salaries	1,654	30%

Figure A.3 Number of Companies for Which Data Is Included for Each Survey Period

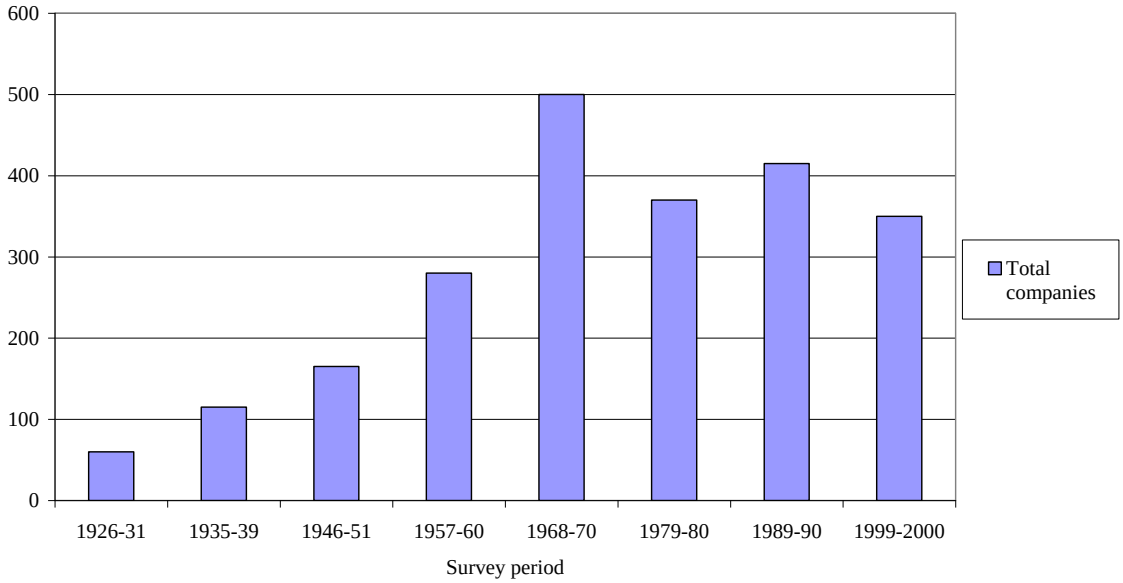


Figure A.2 Proportion of Companies, By Industry, From Which Data Is Included For Each Survey Period.

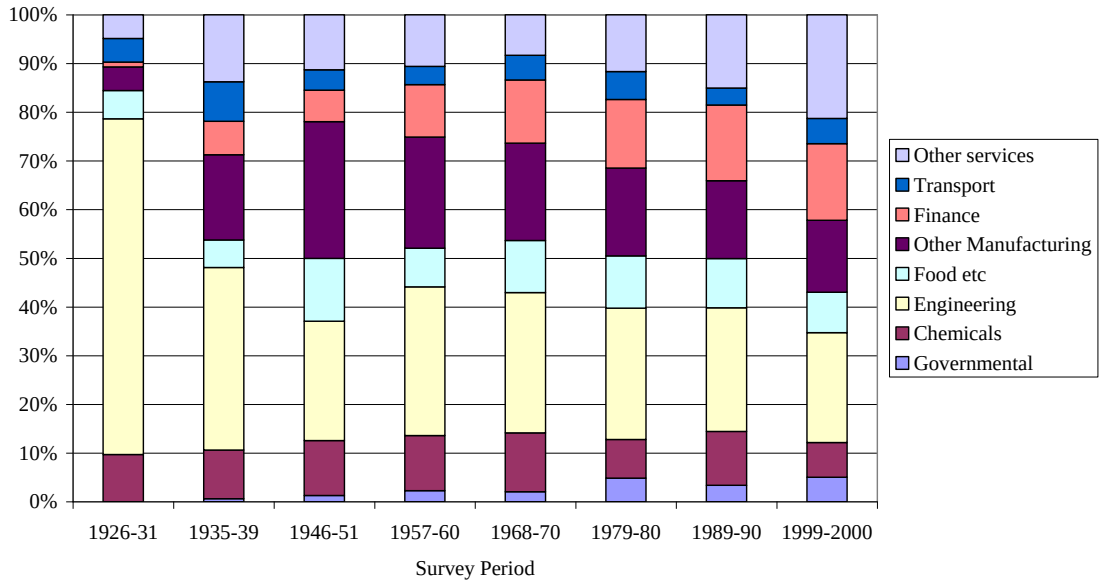


Figure A.3 Simplified Classification of Type of Work Used for Vacancies

Divisions	Sub-divisions	
Administrative		
	Accounting	
	Buy/logistics	
	Finance	
	HR	
	Sales/mktg	
Technical	Any	(incl. geologists, surveyors and other technical specialists)
	Engineer	
	Production	
	Research	
Intermediate		
	IT	
	Gen	
	Various	
	'Statistical'	(Incl. operational research, planning, actuarial)

Figure A.4 Coding of Expressed Qualification Preferences[1663]

Qualifications required	Code Used
No specific qualifications needed	5
School Certificate or O levels preferred	7
School certificate, O levels or 'Good Education' required	8
4 O levels; preferably 5 Os	9
5 O levels; 'good GCE' from 1970	10
More than 5 O levels required	11
6th form experience	12
A level if possible	13
1 A level; preferably 2 As	14
2 A levels required	15
3 A levels; Matriculation	16
HND or equivalent	17
Preferably a degree; non-graduating students	19
Degree (including pass degree)	20
Any honours degree	21
2nd Class Degree or above	22
2.1 or above	23
Postgraduate degree	25

[1663] See Figure 3.10.

Second interview database

This database centralises data on the practices of companies in their 2nd round interview practices, especially regarding usage of assessment centres As with the main database, it uses data on identified companies, allowing practices over time to be tracked. Most of the data is a subset of the recruitment database, albeit one tenth of the size. Major sources were:

Figure A.5 Main Sources of Data Points and Their Time Coverage

Source	Data points[1664]	Coverage
Graduate Employment and Training	26	1999 & 2000
Individual interviews	24	1940s to 1990s
Essex Institute of Higher Education survey	57	1987
IRS surveys	194	1991 & 1996
Oxford University Careers Service papers – company files	87	1920s to 1990s
Oxford University Careers Service – second interview questionnaires	137	1996 –2001
Total from all other sources	101	
TOTAL DATA POINTS	626	

[1664] Each data point is an entry for a company in a single year with their characteristics and observations regarding usage of psychological testing and/or assessment centres.

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