

DEVELOPING
EXCEPTIONAL

Talent

THE EDUCATION OF GLOBAL LEADERS

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Will the best global companies in the first half of the 21st century succeed by helping solve global problems?

Shaping the way our cities balance growth, sustainable housing, transport and energy consumption has become a strategic focus for companies of every kind.

Global businesses in energy, finance, technology and consulting are wrestling with the extraction of hydrocarbons from shale without damaging the natural and built environment. Do companies need to meet these challenges by acquiring and developing new expertise – new in nature and new in level? And if the answer to that question is yes, then what will be needed from higher education institutions – the propagation rooms of leadership development?

This report summarises the outcome of preliminary research. Interviews were conducted with the HR Directors of eight companies, all international, and either headquartered in London or with major UK arms based in London. The report has been shaped by what they said.



THE FINDINGS

01

THE WORK THE COMPANIES ARE DOING IS INDEED BECOMING MORE CHALLENGING.

We live in a VUCA world: volatile, uncertain, complex and ambiguous. This complicates strategic planning and increases business risk, in a landscape more difficult to navigate than ever.

All eight companies say their international footprint continues to grow, with most citing BRIC, Asian and Latin American countries as their biggest growth markets.

And all eight companies reported that the work they do is growing in complexity, for a number of reasons:

- The problems they are trying to solve are often intractable, combining technical difficulty and political sensitivity.
- Customers want solutions – quickly and for less - tailored to their needs and their circumstances. One size no longer fits all; one size now fits only one.
- Companies have exponentially more data than ever before. The challenge lies in using it intelligently.
- Everyone is under acute pressure to consume fewer resources.

Post crash, the two financial companies have re-oriented their businesses. Santander say their work now emphasises simplification and transparency. KPMG note their clients are more likely to seek advice on regulation and business responsibility.

02

THE CAPABILITIES
COMPANIES NEED ARE
NEW, VARIOUS AND
HARD TO FIND.

All eight companies said they needed people who could build coalitions across government, public and private sectors, balancing contrasting priorities and time horizons.

Breadth has become more important than depth in many roles. Companies need all-rounders, people who are technically proficient, not only in their home discipline but in related disciplines too. They are looking for executives who are commercially alert and politically aware.

Working in a global company requires the ability to harness and exploit diverse ways of thinking. That means not just getting on with people, but ensuring that the solution to the problem on which your team is working reflects the contribution of radically different minds.

These skills of coalition building recall the 'triple strength' executive profiled in last September's Harvard Business Review. The triple strength executive draws on previous experience across government, the public sector and the private sector to resolve the multi-faceted problems faced by today's companies.

All the companies said the ability to use data to develop new business models, anticipating customer needs before locating a customer who will pay, has become critical.

Taken together, these developments imply a new model of personal leadership at every level of the company, with an emphasis on empathy (the employee as above all an interlocutor between different parties and interests) and humility (you lead from the back and still they follow you), along with resilience, resourcefulness, a willingness to take risks and an ability to fail and recover.

03

THE TERMS OF TRADE WITH UK UNIVERSITIES ARE CHANGING.

Half of the companies interviewed have already introduced innovative strategies to find and develop talent.

All the companies expect graduates to bring deep knowledge and capability and they all have a well-established network of universities, trusted to provide talent. At the same time, they are committed to developing talent on the job. They see themselves as 'academy institutions', building on the knowledge and capabilities gained at university.

While two of the companies say they are simply happy to get their fair share of this year's crop of graduates, half have introduced innovative strategies to develop exceptional talent, including new bespoke degrees (KPMG), new schools within existing universities (WPP) and extended final-year internships, focused on the company's actual problems (BG and Unilever).

04

BUT THAT MAY NOT BE ENOUGH: IT WILL BE INCREASINGLY DIFFICULT FOR UK UNIVERSITIES TO REMAIN COMPETITIVE.

Companies are looking beyond UK graduates to fill their positions. Those from America, Australia and BRIC stand out from the crowd.

Companies continue to recruit heavily from institutions in the UK higher education system, recognising their track record in producing thinkers and problem-solvers.

However, all the companies say they are increasingly interested in recruiting top talent wherever they can find it in the world.

There is a marked and growing belief that UK graduates don't emerge from university hungry enough. BG Group says the best Australian and American graduates are a new and different breed: global, ambitious, alert. Unilever believe their next exceptional talent will come from India and Brazil.

CONTRASTING RECRUITMENT STRATEGIES: BT AND UNILEVER

Post privatisation, BT operates in countries around the world, hiring wherever it goes. It continues to take over 60% of its graduate entrants from UK universities. Unilever has been recruiting internationally for longer. Although it still draws heavily on the USA and the UK, it increasingly finds its graduate talent in the BRIC countries and indeed the MINTS. On the face of it, this may look like a story of maturity: as a company matures, it may opt to diversify its graduate hiring policy. But it's worth bringing out the backstories...

As well as graduates, BT also takes in a smaller group of entrants at a second and higher level, MBA. One British business school appears in its top ten, in tenth place. The rest are American and European.

Unilever has a network of 350 universities around the world. But it continues to use UK universities as a specialist hub, bringing top talent from BRIC countries to study at post-graduate level in UK universities and identifying Chinese students already in UK universities, nurturing them during their final year, employing them for two years in the UK and then positioning them as the company's leaders in China.

05

THE COMPETITION IS INTENSIFYING - FROM UNIVERSITIES WORLDWIDE... AND FROM NO UNIVERSITY AT ALL.

Some companies are setting less value on a degree altogether. BG Group believes the best background may be in the military and most companies speak very warmly of apprenticeships. BaE Systems, for example, offer school leavers a paid six-year experience, tailored to the needs of the individual, combining college and work.

There are signs that the traditional model for the development of exceptional talent, through top universities into top companies, may be breaking down. Many companies are setting less value on a degree altogether, preferring other ways to develop their talent.

**“GREAT THINGS
NEVER CAME
FROM COMFORT
ZONES.”**

Moreover, many exceptional young people are putting less value on working for top companies in the first place. They may have strong social values that they don't see reflected in major corporates, or they may want a short, intensive period of personal development before creating their own niche businesses, built around personal values and style.

Top companies are aware of the disenchantment factor and are finding ways to respond. Unilever, for example, have connected each of their major brands with a wider global goal and explicitly link employee, company and societal values. WPP have re-fashioned their graduate offer around personal development, global opportunities and the chance to join diverse, competitive teams.

Future research questions

Taken together, the interviews do suggest that the universities from which these companies have traditionally taken talent are facing a significant challenge: to develop young people with new and remarkable capabilities to address original and complex problems of a global scale.

To make sense of this emerging paradigm, we need further research to focus on the core questions posed at the start of the project:

- In what ways do the capabilities companies are looking for constitute something qualitatively different?
- How far do these capabilities enable people to become leaders, or is leadership capability something additional?

- Who reaches the top 1% of talent and what is the case for paying special attention to the development of this top level?
- How scientific are businesses in selecting talent against the desired capabilities?
- Is the traditional model of talent development really breaking down?

The NCUB, in partnership with others, will continue to explore these challenges of leadership development and to advance our collective interest in ensuring that global leaders, solving global problems, are emerging from the UK's globally successful universities.



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