

The 'war for talent': the gatekeeper role of executive search firms in elite labour markets

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Abstract

Recent years have been characterised by the increasing encroachment into policy and academic debates of discourses describing knowledge and weightless economies and an associated 'war for talent'. In this paper we argue that these current discourses and their description of 'talent' and the challenge of finding it fail to do full justice to the complexities of contemporary elite markets. We argue that the rise of executive search firms, headhunters, as labour market intermediaries and their tactics for defining and managing contemporary elite labour recruitment practices is too often ignored. We show that executive search firms control elite labour recruitment processes through two forms of power-relation: one in the labour *management* process where relations between clients and executive search firms are structured by power resources constructed over time; and one in the labour *market* itself where definitions of talent are promulgated by search firms, thus determining who does and does not classify as a talented individual and who is admitted to the networks that provide access to elite executive positions. Building on insights from interviews with headhunters in Europe we reveal the strategies producing these positions of power. This leads us to suggest that geographers need to pay more attention to the role of discourses in the construction of power

relations and the role of geography as a resource that is empowering but also disempowering.

Keywords: Executive Search; Headhunters; elite labour; knowledge economy; power

Introduction

Recent years have been characterised by the increasing encroachment into policy and academic debates of discourses describing knowledge (Leadbeater, 1999) and weightless economies (Quah, 2001). A cornerstone of such discourses is the importance of flexible, talented labour as a central factor of production that maintains the competitiveness of firms and places in the digital age of contemporary globalization (DTI, 1998; Florida, 2002; UNCTAD, 2004). This has been discussed in relation to economic activities from Formula 1 racing (Henry and Pinch, 1999) to financial services (The Corporation of London, 2003) and high-technology (Saxenian, 2006). Meanwhile, Thrift (1997) has argued that firm behaviour is increasingly defined by a 'cultural circuit of capitalism'. This is a "circuit which is now self-organising, is responsible for the production and distribution of managerial knowledge to managers. As it has grown, so have its appetites. It now has a constant and voracious need for new knowledge" (Thrift, 1997, 34). The 'knowledge worker' is one of the central components of the discourses Thrift describes.

The importance of this executive talent perhaps became most apparent when management consultants from McKinsey & Co. produced a report declaring that there was 'A war for talent' (see Michaels et al., 2001). The future success of firms was, according to this report, defined by their ability to find, recruit and retain the most talented executives who could provide inspirational leadership and drive innovation and ultimately profitability in a knowledge-based economy. As a result, increasing interest has focussed on the dynamics

of elite labour markets. Fortune Magazine (2006) reported in an article entitled, 'Resurgence of the war for talent' that management consultants have warned businesses that "77% of companies say they don't have enough successor to their current senior managers [and] the talent shortage will probably get worse" (see

http://money.cnn.com/2006/01/23/magazines/fortune/starintroduction_fortune_060206/index.htm). On the surface, then, the message is clear: the main

challenge for the firm in contemporary elite labour markets is *finding* talent because "the world's most valuable commodity is getting harder to find" (Economist, 2006, 11).

In this paper we argue that current discourses describing 'talent' and the challenge of finding it fail to do justice to the complexities of contemporary elite markets. We argue that the rise of executive search firms, headhunters, as labour market intermediaries and their tactics for defining and managing contemporary elite labour recruitment practices is too often ignored. This is significant in a process-related sense because headhunters have manufactured themselves a position of power in elite labour recruitment that allows them to actively regulate labour markets. It is also significant because the activities of headhunters are integral to defining the nature of 'talent' in the contemporary economy.

In developing this argument we conceptualise contemporary elite labour recruitment as a network process and, by drawing on earlier descriptions of the 'old boys network' (Michie, 1991) and embedded networks of weak ties

(Grannovetter, 1993), we argue that executive search firms act as new and powerful governance agents in the networks that influence the contemporary movement of talent. Inspired by Grabher's (2006) recent intervention that highlights the importance of recognising governance forces in networks, we show that executive search firms control elite labour recruitment processes through two forms of power-relation: one in the labour *management* process where relations between clients and executive search firms are structured by forms of power constructed over time; and one in the labour *market* itself where definitions of talent are promulgated by search firms, thus determining who does and does not classify as a talented individual and who is admitted to the networks that provide access to elite executive positions. This gives headhunters transformational and reproductive roles in elite labour recruitment practices. They are transforming elite labour markets by moving searches for talent outside of the firm and its internal labour market into 'global' labour markets that headhunters create. But, at the same time, headhunters work in elite labour market is reminiscent of the exclusive and powerful elite networks of labour recruitment of the past, something missing in discourses that suggest 'open' and meritocratic elite labour markets in the contemporary knowledge economy. Building on these points and examination of the way headhunters develop the resources that create positions of power allows us to develop a theoretical argument about the importance of, first, discursive strategies in the engineering of an exclusive role for headhunters in elite labour recruitment processes; and, second, the significance of geographically inscribed power

relations within elite labour markets in which geography can act as an empowering and disempowering resource.

The rest of the paper develops these arguments as follows. First, we provide a discussion of the symbiotic, entangled and reproductive relationship between elite labour markets and executive search firms, and conceptualise this process as producing a 'new boys network' that influences elite labour recruitment. Second, the empirical section draws upon interviews conducted with 50 executive search researchers and consultants in 21 of the leading executive search firms in Europe and the professional bodies representing these firms. Interviews took place between June 2006 and March 2007 in Amsterdam, Brussels, Frankfurt, London, and Paris and, with the exception of one interview, were all recorded and fully transcribed. Interviewees ranged from the most senior executives (often the founders of a firm) to mid-ranking partners and junior researchers and were selected using a random but purposeful approach which sought to provide a non statistically significant sample of all job roles in both the five case study cities and in the differently organised 'owned', 'network' and 'hybrid' firms (see table 1 and Faulconbridge et al., 2008 for more on the differences between each type of firm). Analysis was conducted using the logic of grounded theory with interviews used to identify key processes and events that could inform theory building. The analysis presented uses insights gained into the way firms have about manufactured their position as labour market intermediaries in the European context and the power relations created by firms' geographical 'categorisation'

of candidates. The concluding section considers the significance of these findings in relation to debates about power and elite labour mobility.

Elite labour markets and Executive Search firms

The belief that talent and 'knowledge workers' are the drivers of economic success can be attributed to two significant changes in the economy over the past fifty years. First and most structurally has been the changing role of the so-called 'developed' countries in the global economy (see Dicken, 2007; Massey, 1995). The initial rise of low-skilled manufacturing activities in 'developing' countries and more recently research and development activities in the first-wave newly industrialised nations has led to calls for countries with long-histories of manufacturing to 'move up the value chain' and focus upon knowledge-intensive industries (DTI, 1998). Related to this, the rapid emergence of post-industrial economies in the 'developed' world, characterised by rapid growth in producer and consumer services (Bryson, Daniels and Warf, 2003) and high-value technological industries (Saxenian, 2006), has fuelled the global demand for executive and highly-specialised, elite labour. This emergence of new service and technological industries has similarly created the conditions for global elite labour markets as worldwide demand is fuelled by new types of senior leadership, scientific and fee-earning occupations which did not exist ten or twenty years ago (Jones, 1989).

Second, the so-called neo-liberalising of labour markets has led to a readjustment in the behaviours of employers and employees alike (Peck,

1996). This process, which has bitten most in the past two decades, has multiple facets that we cannot fully explore here. Most significant for our argument, however, is the effect on labour mobility. An important tenet of neo-liberal policies is free labour markets and unrestrictive labour regulations in which responsibility for success lies with the individual rather than the state or their employer. As Finlay and Coverdill (2000) argue, since the late 1970s in the USA and more recently in other parts of the world, one effect of this has been the weakening of ties between employers and employees¹. This is a result of both the growing ability and willingness of employers to dismiss workers and an increasing willingness of employees to change jobs frequently so as to advance their career. Consequently the idea of the 'internal labour market', where firms promote individuals to the leadership ranks from within, has withered with instead the worldwide search for talent becoming a major preoccupation of managers in transnational corporations.

Fluid labour markets?

Initial analysis of the contemporary conditions of elite labour markets might suggest a geographical fluidity unhindered by regulation and favouring those with 'talent' however defined. This, we contend, is far from the case. A critique of 'free' labour markets could be made based on a discussion of the

¹ It is important to note that this change has been geographically variegated and has taken place at different paces in different countries (Peck, 1996). Indeed it could be argued that Germany and Japan provide two examples of countries where change has been limited (Hall and Soskice, 2001).

regulatory hurdles to the free movement of labour (see for example Neumayer [2006]). However, most pertinent in relation to our interest in executive search firms is the falsity of the neo-liberal market ideal of buyers and sellers (employers and employees) negotiating in free and open markets. A number of important labour intermediaries have emerged, with temping agencies at the 'bottom' unskilled end of the market (Peck and Theodore, 2001; Peck et al. 2005; Ward, 2004; Coe, Johns and Ward, 2007, 2008) and executive search at the 'top', elite skilled end of the market (Faulconbridge et al., 2008; Finlay and Coverdill, 2000; Jenn, 2005). As Peck and Theodore (2001, 476) discuss, intermediaries in labour markets such as temp agencies are "both an orchestrator and a beneficiary of the explosion in contingent employment". This means "agencies are more than passive beneficiaries of these trends in industrial (re)organization. They actively shape the growth in contingent labor through their role controlling virtues of workforce flexibility" (Peck and Theodore, 2001, 477). Here we show how the success of executive search firms in shaping elite labour markets is associated with: (a) the new power relations associated with the emergence and legitimation of search firms; and (b) the effects of headhunters' new governance role on definitions of and the mobility of 'talented' elite labour.

Elite labour markets, executive search firms and power-laden networks

We define elite labour as workers fulfilling positions at the pinnacles of organizational hierarchies (e.g. chief executives, chief financial officers) or

specialist skilled roles (e.g. in the oil and gas industry; Chinese equity analysts; research and development scientists in particular niches of the bio-tech sector). *Executive* search firms distinguish themselves from temping agencies and other search agencies through their focus on locating and recruiting such elite labour (table 1 notes the major global players in the industry). Rather than acting on a contingent basis like many temp agencies and middle-management recruiters do (payment on completion of task) retained executive search firms set their fees in advance, usually demanding payment of fifty percent up front and fifty percent at the end of the project (Jones, 1989). This typically means a fee of equivalent to one third of the first year salary of the recruited executive. These firms never work on projects where the minimum first year salary of a candidate is below £100,000 (Jenn, 2005). Hence salary ultimately defines elite labour in the eyes of these firms.

By 2004, Jenn (2005) estimates that the executive search industry's revenues were worth US\$2,500m. Many of the firms are partnerships and as such do not publish details of annual turnovers or number of searches conducted. However selective self-reporting of turnover by firms, industry surveys and proxy measures such as office numbers can be used to reveal the geographical expansion of the industry and rapid increases in the number of headhunting firms offices throughout the 1990s (on which see Table 1). Many firms now conduct thousands of searches a year and anecdotal evidence in the press and from interviews suggests few executive positions in the largest firms are now filled without the involvement of a search firm. We return to the

reasons for this below. The growth of the industry between 1980 and 2006 further reveals the importance of executive search firms in contemporary elite labour recruitment in Europe. The number of European offices of the fifty largest international firms grew from 50 to 871 (Beaverstock et al., 2006). Most of this growth took place between 1990 and 2000 since when a recovery and reorientation period has been necessary to offset the damage caused by the dot.com bust. For example, one of the leading firms, *Korn Ferry*, saw revenue grow from US\$315m in 2000 to only US\$328m in 2005 (Executive Grapevine, 2000; 2005).²

[Insert table 1 here]

The 'headhunting' practice of these firms itself has been described in detail elsewhere (Finlay and Coverdill, 2000; Jenn, 2005). Here, then, we focus on the elements most pertinent to our argument. As a result of the desire to transform the executive search industry into a scientific activity, a number of business processes have emerged which are designed to make the whole search and selection activity transparent and methodologically rigorous in line

² This research was completed prior to the credit crisis and the subsequent financial turmoil in 2007 and 2008. The executive search industry has been severely impacted by the crisis, as it was by the dot.com bust, with firms closing offices and making redundancies as the financial sector in particular cuts recruitment. Ironically, executive search firms have been swamped with potential candidates because of widespread redundancies across multiple industries, easing the shortage of skilled labour, but at a time when demand for executives is low.

with new risk cultures (Beck, 1992). The chronology of the search process can thus be characterised as follows:

- Mapping the market – using a researcher and consultant’s knowledge and contacts to list competing firms where suitable candidates could be found and to seek out background information and contacts for these individuals.
- Using the firm’s database to search for suitable candidates.
- Sourcing – using known contacts and individuals in the firm’s database to elicit recommendations for possible candidates.

Whilst the use of headhunters to conduct executive search *beyond* the boundaries of the hiring firm represents their transformative role in executive labour markets, it is also important to acknowledge their reproductive role.

This reproductive role, consolidating existing elite labour networks and practices, emerges because in order to be successful in elite labour markets candidates need to be known to search consultants and/or part of their database and/or connected to individuals connected to headhunters. Of course, it is not particularly new to suggest elite labour mobility involves negotiating a power-laden network. The origins of the suggestion can be traced back to the idea of the ‘old boy network’ in the City of London and the way school and club ties and family nepotism determined the career path of an individual (Leyshon and Thrift, 1997; Michie, 1999). Bourdieu has also provided an extensive

analysis of the role of education in the production of elite classes (e.g. Bourdieu, 1996) and Granovetter (1983) described how the 'strength of weak ties' and the network social capital of an individual was instrumental in finding a job in the 1970s. But arguing that headhunters reproduce such norms is significant because one of the main discourses associated with the war for talent has been the need to destroy such networks because of their inefficiencies and inability to recruit the 'best' talent (Jones, 1989). In particular recent developments such as the Internet allow forms of search and network formation that were impossible in the past. Yet our research suggests that hierarchical, restrictive network practices have actually been reproduced in contemporary elite labour markets because of the way executive search firms operate. We describe this as the 'governance' role of headhunters.

Conceptualising executive search firms as governance agents

According to our research, both potential candidates and headhunters continue to understand elite labour markets, at least in part, as sophisticated networks. This is mainly because recruitment still occurs through the consultant's network, something now more extensive thanks to the internet and the databases of search firms, but something that is still 'exclusive' and in need of penetration by candidates in new and important ways. Of course, as Dicken et al. (2001) suggest, it is essential to recognise all networks as socio-spatial constructions, not simply as connections or pipelines. This means analysing the

various actors, technologies and social, cultural and political influences upon entrance into and action within a network. In terms of our discussion here, the elite labour recruitment mediated by executive search firms might be conceptualised as such a network because, firstly, the knowledge, databases and sourcing described above produce an infrastructure that creates connections between clients (employers) and candidates (potential employees). As Ibarra and Hunter (2007) argue, successful executives are defined by their ability to develop and maintain such 'personal' networks that can then be used to enhance their career and open doors through the development of new contacts and relationships. This reflects in many ways the strength of weak ties that Granovetter described (1983). However, in the case of contemporary elite labour networks entrance into the network also requires the performance of certain idealised behaviours which are socially and culturally constructed and associated with the 'ideal' candidate. This is our second reason for using the network metaphor.

The 'model' candidate is defined and controlled by researchers and consultants in firms who act as gatekeepers to the network. We argue that to understand contemporary elite labour recruitment requires us to understand the factors influencing whether a candidate successfully makes contact with a potential employer, something ultimately determined by whether an individual is able to acquire the appropriate social and cultural capital that allows them to become part of and function within the headhunter's network. This, we suggest, lies at the heart of the emergence of the 'new' boy's network that is used to

recruit executives in the contemporary knowledge economy. We understand executive search firms' roles within 'new' elite labour networks to be, then, "a specific mode of governance" (Grabher 2006:167). Grabher claims that networks are too often viewed as somewhat benign, democratic, innovative formations and that there is often a failure to theorise the full complexities of network processes. In particular, according to Grabher (2006), recognition of the way networks can be exclusive and restrictive is needed.

The case of elite labour market networks and the governing role of headhunters helps to develop this argument by fleshing out the way governance roles are defined and *power relations* are produced. As Allen (2003) argues, power is a relational *construct* and emerges because of the practices and resources used to produce certain forms of relationship between individuals and groups. Depending on how resources such as money, ideas and technology are used, and importantly how others respond to these resources, different types of power relation emerge. This ranges from domination (imposed power) to manipulation (power created through the concealment of intent when developing relationships). Below we show how executive search firms provide resources to certain candidates in elite labour markets, rendering them *dominant* (power gained because of an imposed form of conduct/identity) as a result of their geographical biographies and career history.

This lies behind the reproductive role of headhunters in elite labour market practices. First, though, we show the way that the activities of

headhunters has given them *authority* (claimed and conceded power based on a willingness by others to recognise and accept control by an agent) that allow them to act as intermediary governance agents in elite labour networks. This form of power lies behind their transformative role, changing elite labour search from being in-house and through internal labour markets and making it a 'global' process. In some senses, then, our argument has parallels to Foucault's concept of governmentality (1991). In effect we unpack executive search firms' 'art of governmentality' as they strive to institutionalise their role in elite labour markets. Together these two forms of power define the geographies of elite labour markets.

Authority to search: manufacturing the transformative role of executive search firms in elite labour markets

Changing conceptions of labour market behaviour by employers and employees have acted as one of the most significant spurs for the development of the executive search industry. This has produced a new generation of workers that accept the need to move between employers to develop their career. Similarly corporations are now familiar with the 'war for talent' this has created. As one executive search consultant noted:

"In this day and age information flows across markets so readily and there is a fundamental supply and demand problem of management talent all over the world...the opportunity for advancement often comes in from the places where you are not, those who are

sophisticated about their careers they understand how to function in this world (*Consultant, Frankfurt*).

For executive search firms this change acts as the context for the development of a position of authority in elite labour recruitment networks. Like temping agencies, headhunters need to be active institutional agents in the creation of their own markets so as to ensure demand for their services that, in a perfect market where rational logic prevails, would not be required. In order to do this, firms have adopted a number of strategies that seek to transform the recruitment strategies of leading firms.

Promoting discourses of complexity

One of the most important strategies of executive search firms has been the use and proliferation of the types of discourses outlined at the start of the paper. Promoting the idea that talent is scarce yet essential in order to maximise profitability has allowed headhunters to effectively 'scare' firms into seeking support in the recruitment of executives. As Kelly (2001, 722) points out, discourses can be more than linguistic devices. They can also be "material because [they] bring into being classifications of objects, bodies, identities, and so on, and exist as situated practices". The discourses proliferated have acted as powerful devices for the production of the economic practice of using search firms to recruit executive labour. Two ideas in particular are used to manufacture a position of power for headhunters in this process.

First, executive search firms invoke ideas of risk as a tool for creating demand for their services. As Beck (1992) and others (e.g. Drori and Meyer, 2006) have shown, risk management is now central to life both within and without of the corporate world. The so-called risks associated with finding elite labour in the 'war for talent' are coupled to the growing political interest in corporate governance issues following the scandals that rocked corporate America in the early 2000s and the subsequent implementation in the USA of the Sarbanes-Oxley Act in 2002 legitimating headhunters' roles. In particular, the Sarbanes-Oxley Act highlighted and regulated for the first time issues associated with conflicts of interest and the use of 'favours' in the appointment of particularly senior staff, something that resulted in new demands from capital markets in relation to the recruitment of executives. Investors and large pension funds expect firms to prove that they have minimised the risks associated with appointing a new chief executive or chief financial officer. Consequently, the 'old boys network' has been comprehensively dismissed as a flawed strategy for recruitment and executive search firms have put themselves forward as the new best-practice for elite labour recruitment. As one interviewee responded when asked why clients appoint headhunters:

"To minimise risk. If you appoint someone who is known to the chairman, if you pop an advert in the Sunday Times and you take the best out of the 200 people that apply you are not necessarily getting the best person to do the job. If you work with an executive search firm you can really do a proper *audit*, you can really make certain that you have the absolute

best person to do that job and, therefore, the risk for the corporation is much much less” (*Consultant, London*).

There is, of course, little evidence that appointing a headhunter actually reduces the risk of the recruitment process. However, the use of the type of rhetoric described above has effectively institutionalised executive search firms as risk-management agents. Indeed, so successful has this been that, as a different interviewee noted:

“The Higgs Report says that if you don’t use a headhunter to recruit in public companies for a non executive directives you should explain why you didn’t in your annual report” (*Consultant, London*)³.

Second, and building on the ideas discussed in the opening section of the paper, executive search firms are keen to promote the enormity of the challenge of finding and then recruiting skilled executives. The combination of both the globalisation of the search for elite labour and paradoxically the information over-load created by the Internet that now allows anyone to find hundreds of potential candidates through relatively simple searches has, according to headhunters, made the task of finding elite labour impossible for unskilled individuals. This means both existing executives but also human resources departments cannot manage the task effectively. As one interviewee claimed:

³ The Higgs report, commissioned by the UK government, examined the effectiveness of non-executive directors and the most appropriate way to recruit individuals who would champion shareholders interests.

“a very thorough search procedure is quite painstaking, it does take a lot of time and I don’t think management today is in such a position to invest that much time [...] So you say ‘let an expert deal with it’...we provide a broader background, we have the distance, we can look at multiple aspects – and we have a *network* they don’t have because this is all we do, that’s our job” (*Consultant, London*).

Because of the immensity of the challenge posed by this new ‘market’ for elite labour, headhunters are also keen to highlight the need for skill, expertise and most significantly experience in order to effectively seek out and obtain the services of the most appropriate executives. As one consultant put it:

“if you are recruiting a finance director for example, a finance director probably lasts five or six years in the job, the chances are that the HR department has never recruited a finance director. I’ve got somebody here who recruits 25 finance directors a year. Finding the right finance director is business critical, why on earth give that job to someone who has never done it. [...] You ask your lawyer to advise you on law, you ask your accountant to advise you on finance it would be extraordinary not to let somebody advise you on recruiting, what an extraordinary thing to do in house.” (*Consultant, London*).

By drawing on these strategies, search firms are effectively closing-off the market for elite labour recruitment and encouraging a transformation in elite labour recruitment processes. Headhunters claim to be the only people with the high-levels of expertise needed to find talent, something that produces a new

and powerful logic that informs recruitment practices. As potential clients seem to have accepted this logic and have become enrolled into the idea that headhunters are the only way to recruit executives, search firms have developed powerful positions in executive labour markets. Using this as a starting point, firms then use the various ‘technologies’ at their disposal as resources to further consolidate this position.

Technologies of simplification

The database. The use of the firm’s own database is a key starting point in identifying potential candidates. For headhunters the database is much more than a data-mining tool. Rather it is used to identify the existing ‘stars’ and known-contacts holding the position the client wants to fill. This allows researchers and consultants to both identify the prime candidates for the vacancy but also set the parameters for the search in terms of the ‘type’ of candidate that might fit the position being filled. As one interviewee noted:

“Frequently we can use [the database] to spark ideas, we don’t think of the database as a source of candidates as much as a source of authorities in a given area, to give us a view on who the stars are in a given sector and that can help us when we make an approach to an individual” (*Consultant, London*).

These databases are also linked to what is known in the sector as ‘sourcing’. Sourcing is a process of identifying individuals holding the

same position as the vacancy to be filled but in another firm and then, assuming they are not interested in the job, infiltrating their networks as a source of recommendations for potential candidates. So as one consultant put it:

“The database is not for identifying candidates...Sourcing is the real link with the specialisation because you start to think who are the actors on the market, then you not only start to find candidates but you also try to get information from a certain number of people, they may not be interested but they may know someone” (*Consultant, Paris*),

It is important to acknowledge that the use of databases does vary between firms. For example, at the macro-scale a distinction can be made between US-originating firms who use databases extensively as part of their attempt to ‘rationalise’ the search process and European firms who tend to prioritise databases alongside more bespoke, consultant-led candidate identification (see below). At the meso-scale differences between full-service firms and boutique firms specialising in one industry also account for variable uses of databases. Nevertheless, all firms do make use of databases in one way or another.

The researcher and consultant is the second major resource all firms employ to empower search firms in elite labour markets. One of the main evolutions in recent times in the discourses of executive search firms has been the emergence of a client-service ethos. This has centred upon the value-added delivered by consultants and their teams of researchers beyond

providing a list of potential candidates. Importantly, one strategy has been to play up the ways in which the contemporary service offered by headhunters is very different to that offered in the past. As one interviewee put it, “I think we have changed, [...] we are more organised we are more professional than we used to be, but also certain segments of society are becoming more sophisticated, more receptive to working with consultants, could be NGOs could be universities could be schools” (*Consultant, Brussels*).

This ‘relational’ tactic of marking-out the contemporary headhunter as different to the ‘old boy’, rolodex generation was an important ploy used by all of those interviewed. Moreover, frequent references were made to the ‘knowledge rich’ and ‘bespoke’ nature of services offered to clients. As part of this self-promotion consultants and researchers were keen to point out that, beyond identifying technically qualified candidates, they are skilled at convincing individuals to consider and then accept a position, even when they may not be looking to move firms. The scarcity of talent is made worse, or so headhunters argue, because the *best* candidates are often unwilling to move organisation let alone countries. Consultants claim to have the experience and tacit skill that can convince a seemingly uninterested candidate to look at a vacancy. As one researcher described this salesperson-like skill in relation to the challenges of dealing with an individual’s nervousness at superiors finding out he/she was considering another job:

“Sometimes if you ring someone and they haven’t been headhunted they think that their boss has given you their name and they are really

paranoid that somebody has given them their name because they are going to be ousted of the company so you have to reassure them that nobody has told you that you are looking, it is just an opportunity, you don't have to listen or even read the information but it is an opportunity so why not have a look at it, so you can persuade people but generally the more senior the individual the more they get it" (*Researcher, London*).

Together, the 'technologies' of the database and the skills and expertise of researchers and consultants act as resources that are used in discourses to reinforce the authority of executive search firms as *the* only way to find and recruit elite talent. This has been critical to the transformation of the recruitment practices of major firms and the proliferation of the market for executive search outside of the USA in the past twenty years. It means that these headhunters now have a powerful position in elite labour markets in many countries⁴. In terms of our conceptualisation of elite labour markets as networks it means the search firms have been able to engineer themselves a governance role in existing networks, disintermediating candidates and employers and requiring both parties to follow the rules of the game set-down by headhunters. These rules, whilst promoted as being beneficial for all involved, might not, however,

⁴ This points to the geographical variability in the success of search firms in developing their authority.

Interviews revealed that firms' authority varied between the case-study countries with authority to search existing in most North American countries and some but not all Western European countries. Outside of North America and Western Europe it was not uncommon for search firms' authority to be absent. This is a discussion for another paper and is not central to our argument here about elite labour networks.

always have benign effects on the geographies of elite labour recruitment. In particular, as we argue below, the powerful position of executive search firms seems to be leading to the emergence of what we term a 'new' boys network in which talent is assessed and defined in part at least by geographical biographies. This reproductive role of headhunters leads to the domination of a certain type of geographical-marked 'ideal type' executive, an unintentional consequence perhaps of the war for talent and executive search firms' governance role in elite labour markets.

Domination through geography: reproducing the ideal-type executive

In order for executive search firms to deal with the complexities of finding 'talent' researchers and consultants develop heuristic models of 'ideal' candidates. Here we do not attempt to differentiate between the skills or characteristics needed by executives in different positions (e.g. a chief executive of a large manufacturing corporation versus a head of human resources for an international bank). Instead, we focus upon some of the common characteristics that cut-across sectoral specificities.

In particular, because clients are often transnational corporations, there is often a desire to recruit a 'global elite', someone who would fit in what Sklair (2001) describes as a transnational capitalist class. Indeed, even clients operating in only one country often want a 'worldly' executive that can bring with them experience from multiple countries. Consequently, as one interviewee put it:

“When you speak about recruitment at a certain level you don’t look local. Most of our assignments now are pan-European, we don’t look for a candidate only in France, there is no difference from a German, an Italian, British with experience working in France, they will have an international background.” (*Consultant, Paris*).

This does not, however, mean that any individual with experience of working in multiple countries will automatically catch the attention of the headhunter.

Criteria, which we outline in detail below, are used by researchers and consultants to determine whether an individual ever enters the headhunter’s database. This is significant as it suggests that the labour recruitment networks headhunters govern can only be entered when certain social, cultural and geographical knowledges and practices are gained and performed. This in many ways reflects Bourdieu’s arguments about the role of education but also membership of the right ‘clubs in providing access to elite corporate occupations (Bourdieu, 1996). In effect, for many executives the chance of getting a phone call from a headhunter is determined both by technical ability to do the job but also by key markers of ‘cultural capital’ on their curriculum vitae. As we show below, these markers are often geographical in nature.

The geographically inscribed candidate

We have already described the importance of international mobility in marking out a leading executive. However this needs to be a carefully targeted mobility. As one consultant put it “if your business is an international one then you want

people with exposure of that whether they are from within the UK or elsewhere, so you need that, you want them to bring that set of experiences, but frequently there are quite specific geographies” (*Consultant, London*). In particular, work experience in the UK and/or USA and other ‘hot-spots’ of the global economy is an essential criterion in most situations. As one researcher described:

“Frankly it is much more often the case that somebody from outside comes to Germany, so we hire somebody from the US or the UK or France, it depends upon the career history of somebody, so you would never hire a pure German who has studied in Germany, worked in Germany and never lived abroad, the candidates we are interested in they are international, they are German yes but they did an MBA in the US, they lived for 3 years in Asia so you wouldn’t regard them as being German” (*Researcher, Frankfurt*).

We return to the point made about education below. First though it is important to further unpick the geographical markers of an attractive mobile executive.

Unsurprisingly, language is also another issue and as one interviewee described, “We are working on a search at the moment looking for head of one of the big design houses, and we found out one the candidates couldn’t speak English so that was the end of her, if you can’t speak English you can’t be headhunted” (*Researcher, London*). Speaking English means being fluent in the language, something that almost inevitably means having worked in an English speaking country for a period of time. This again inscribes a geography onto the ideal candidate. Moreover, depending on the client, the ideal candidate

will usually have also worked in one or several of the 'hotspots' of an industry. For finance this means London or New York; for information technology Silicon Valley; for oil one of the Gulf States or West Africa. Without experience in one of these places an individual is seen as lacking the necessary knowledge but also intuition gained from experience of these key marketplaces.

In addition and as already highlighted above, the reification of the ideal candidate has led to a distinct homogeneity in terms of educational expectations. This is true both in terms of undergraduate and postgraduate education with two markers defining the ideal-type candidate. First, a degree from a prestigious university. This means an institution listed in the top echelons of one of the many league tables such as Newsweek's World University Rankings. Second, for a position in business, an individual must usually have an MBA, again from a leading university and preferably a university in the USA. As one interviewee described these two dynamics:

"Having an MBA because more and more people have degrees and second degrees so there has to be things that differentiate and if you are being very elitist about this then going to Oxbridge" (*Researcher, London*).

Perhaps one complication here is nationally-specific elitism associated with educational qualifications. As Hartmann (2000) shows the type 'cultural capital' expected of business elites in Europe varies between the national business systems of the UK, France, Germany etc. So, for example, one consultant

suggested that the French had a slightly different attitude to the UK with French qualifications being privileged by clients in Paris. As he put it:

“if you are speaking about classical European markets like France, you need not only be based in Paris, you need a French network that is typical to the French, a social organisation, so you have to have graduated from a nice business school, you need to have been in some civil servant position before” (*Consultant, Paris*).

Here we see a less international perspective but still the continuation of geographically inscribed characteristics in the sense of having studied in the ‘right’ place. When combined with the mobility dynamics described above, a clear geography begins to emerge of the ideal candidate. This is an individual with international experience in the leading commercial or industry centres of the world. They will have spent time in the UK or USA and will have been educated at one of a handful of elite institutions throughout the world.

In addition, individuals will also know how to ‘be in the right place’. The ‘right place’ refers to the right social networks and social spaces in which headhunters seek out potential candidates. We are not suggesting that job offers are actually made at such events, or that attendance guarantees a future job. Rather, our research suggests that being in the ‘right space’ maximises the chance of a candidate entering a headhunter’s database and of a consultant being aware of their existence when identifying potential candidates in the future. This means having membership of relevant professional associations and attending their social events and a wider social circuit of charity evenings

and launch parties. Bourdieu (1996, 310) describes the peculiarly high rate at which Chief Executives are members of clubs such as the Jockey Club and the Rotary club and this is not surprising according to our research. As one consultant commented about his tactics for spotting candidates, “I have membership of 6 or 7 medical societies, and I go to conferences, I do that several times a year and meet people there, this gives me an opportunity to meet people in these sectors” (*Consultant, Brussels*).

Of course, membership of such associations is not open to everyone, being exclusive and even invite-based on occasions. Therefore, whilst the process of getting headhunted seems innocuous enough on the surface, for those with the ‘wrong’ geography and outside of the ‘club’ world of headhunters opportunities for entering the networks that secure executive positions are limited, something that can be detrimental for individual career success. Indeed, as one interviewee confirmed, “At the end of the day a headhunter is only as good as their network, their personal relationship database...The ultimate headhunter is the person who doesn’t have to do any cold calling” (*Consultant, London*). Many fail to enter this network when they don’t have the right geographical markers because, as one interviewee noted:

“in our case you only make it into the database if you are screened by us to some extent...or we know enough about you and we think it is worthwhile for you to be in our database” (*Consultant, London*).

Most interviewees suggested it wasn't worth putting individuals in the database if they didn't fit, in part at least, the 'ideal' model outlined above. The geographical exclusiveness in elite labour markets that results from such a selective filtering procedure in the headhunting process is also then further reinforced by the sourcing strategies of consultants because of how ideal-type candidates often only recommending people they know will fit the headhunters' model. All of this produces what might be called the 'new boys network' of executive search. Indeed, as one interviewee suggested, "The old boys network still remains [but] these techniques [of using the database and sourcing] make it possible to cover your ass" (*Consultant, Amsterdam*). Of course, we are not suggesting that every candidate will fit the headhunters 'model' perfectly, or that those without the 'ideal' geographical markers will never be headhunted. Rather it means that headhunters now utilise the 'new boys' networks which consists of a new elite and preferred stratum of candidates who dominate in labour markets at the expense of those not fitting the model. This 'new' network includes women, in international in composition but maintains many of the class and social status markers of the 'old boys network'. Consequently, individuals with the right (geographical) biographies gain powerful, dominant positions in elite labour markets leaving those less-than ideal-type candidates poorly placed to compete in what, according to the rhetoric, are open, talent-defined and fluid elite labour markets in the contemporary knowledge economy.

Conclusions

In this paper we have analysed critically the discourses that surround the knowledge economy and ideals of elite labour mobility through an examination of the role of executive search firms. In doing this we have made two main arguments. First, we have shown how search firms have transformed recruitment practices and constructed themselves a position of power in elite labour markets, in part by utilising many of the discourses associated with the knowledge economy. Second, we have suggested that this process has resulted in the (re)emergence of a new form of geographically-inscribed hierarchy and exclusiveness in elite labour markets, what we have termed the 'new boys network'. This has implications for a number of existing debates.

Theoretically, our arguments develop existing discussions of networks and organisational geographies of power. The analysis of the way executive search firms have used various discourses and technologies to construct their position of power in elite labour recruitment processes suggests much more emphasis should be placed on the way organisations organise in order to manufacture such economically beneficial situations. Taking organizing to be a verb, we have shown the way search firms have strategically enrolled existing cultural circuits of capitalism (Thrift 1997) and coupled them to the technologies of firms as resources for developing relationships of power with potential clients. This reveals the way that positions of power emerge as a result of the tactical, discourse fuelled behaviours of individuals within firms and that such positions are likely to be temporally fluid as the resources enrolled change in

their value and usefulness. This mirrors Foucault's (1991) idea of governmentality but applies the concept in an organizational setting to understand the 'art of governmentality' and the resources associated with the construction of power relations.

Indeed, the governance role in elite labour recruitment networks afforded executive search firms mean that, as intermediaries acting as gatekeepers, individuals must negotiate access to potential employers through headhunters. This means fitting the candidate models constructed, models that empower individuals with certain types of geographical knowledge, experience and mobility. This benefits those with Anglo-American origins and/or experiences, disempowers those from outside of the capitalist hotspots of the contemporary economy and creates a geographical bent to elite labour markets. In effect executive search firms, through their governance actions, render powerful the resources of certain individuals and render less powerful the knowledge and experiences of others. This highlights the importance of also recognising the geographically imbued nature of power relations, with geographical histories determining the relative value of an individual's resources. Moreover it also suggests that it is important to further tease apart both the way intentional strategies allow resources to be exploited for the creation of powerful relations, but also the way individuals and groups can be unintentionally disempowered by the actions of others. Whilst power relations might not be a zero-sum game (Allen, 2003), it seems that the relational nature of power constantly produces new geographical power geometries defining the influence of different groups.

The losers, perhaps predictably, are those operating outside of hegemonic places and systems in the contemporary economy. This challenges the idea of the knowledge economy being meritocratic and open to all with talent.

One significant caveat should, however, be added to this argument. As Allen (2003) points out, the development of power relations involves an agent manufacturing a position of power through the deployment of resources but also the enrolment and 'acceptance' of this by other parties. In the case of the authority of executive search firms the acceptance by clients of the belief that a candidate with a particular geographical biography is likely to be the best person for an executive position has been somewhat taken for granted. We have not, then, explored the geographically variegated ways that clients respond to the deployment of these resources by executive search firms. It would seem important to further examine the variations in acceptance, role and practice of search firms between markets. For example, it might be expected that in the UK and USA client behaviours are very similar (as the Anglo-American model in the varieties of capitalism literatures would suggest) whilst German markets and Japanese clients would be very different due to diverse labour institutions (Hall and Soskice, 2001; Peck and Theodore, 2007). Interestingly, in the burgeoning markets and cities of eastern Europe and Asia, including China, the demand for executive search has been generated by the Anglo-American model, as foreign firms in all industrial sectors, have deepened their investments in the region, and host-country firms and governments mimic the behaviour of their new 'western' entrants by filling elite vacancies through

the action of executive search firms (Beaverstock, 2008). But, space has prohibited a full analysis of this here. However, it would seem a fruitful avenue for further investigation, particularly focused on the demand and supply determinants of the executive search industry and the ways in which they reproduced the specificities of elite labour in the rapidly globalizing cities of headhunting TNCs like Abu Dhabi, Dubai, Mumbai, Bangalore, Delhi, Bangkok, Beijing, Shanghai and Seoul (Faulconbridge et al, 2008) Indeed, as we have shown, geography seems to be an inherent part of the discourses and power relations associated with the knowledge economy, something that deserves further attention from geographers.

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