



## RECRUITING OF CONSULTANTS IN CONSULTING FIRMS

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### Introduction

The importance of human resources management is widely accepted. The consultancy service itself relies heavily on the quality of human resources [Fritzel, Vaterrodt, 2002, p. 14]. Therefore, the success of a consulting firm is mainly dependent on it – especially on human capital with the right experience, knowledge and skills. Authors who deal with this topic, widely agree that human resources the main strategic key success factor of consulting firms [Höselbarth, Schulz, 2010; Robertson, Swan, 2011, p. 838]. The reason for this situation can be that consulting firms tend to respect their privacy in this area to protect their secrets. This article aims to show tendencies and some approaches to the topic in the consulting business. This allows a first insight and can be used to delve deeper into the subject.

The combination of challenges facing consulting firms – quality expectations of clients and lack of qualified candidates [Domsch, Hristozova, 2006, p. 3] – makes human resources management the real challenge. The main functions of human resources management are outlined in the human resources

function matrix by Ulrich [1998, p. 125]. One dimension is the differentiation between operational and strategic functions. The second one is process management and people management. This allows us to identify four main roles of human resources management: strategic partner, change agent, administrative expert and employees champion (Figure 1).

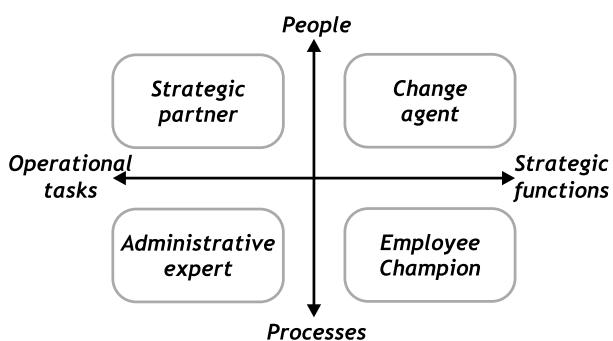


Figure 1. Human resource management role matrix  
Source: [Ulrich, 1998, p. 130]

The first step to gain new insights into the topic was the screening of professional literature for methods and tools for recruiting consultants, confronting them with own experience as a consultant and finally to analyze the results of a survey that was made by the author in 2012. This allows the reader either to get hints for his or her own duties as a human resources officer in a consulting company. Additionally, it adds new information and practical knowledge to the scientific research on this topic.

### ***Human resources management as a strategic partner and a change agent***

If human resources management (HRM) is to fulfill its strategic role, it has to develop new skills and role models to facilitate change. This supports the development of the company and promotes innovation. This means that HRM initiates the change process at a strategic level while being the strategic partner and change agent [Norman, Powell, 2004, p. 32]. To help fulfill the role, HR agents should be trained. There are programs to accomplish this. These tools are coaching, mentoring, problem sharing, active networking and joint support [Viator, 2001, p. 99].

For HR to act as a change agent, it is necessary for management also to be transformed. Management style is defined by leadership skills, which means the ability to change values and beliefs of employees. Good examples of the use of HRM in strategic management are the methods and tools used by Kienbaum Management Consultant<sup>1</sup>. Other well established consultancies use similar systems, although the one mentioned has been analyzed by the author in a greater detail due to the availability of insights and details that are not always available from other companies' systems. All targets and KPIs of HRM are focused on supporting the company strategy and individual department strategies. The main tools of HRM are: the competency model, recruiting and positioning procedures, leadership functions, work performance management and people development. Key values and the business role of management are therefore derived from the actions of HRM. This change is further cascaded into operational process planning and strategic projects.

The main strategy for HRM at Kienbaum Management Consultants focuses on the intensive knowledge required for effective human resources management. Human resource management is as important a key success factor as image, branding, international presence and financial prowess. The elements of this factor are [Jochmann, 2006, p. 35]:

- expertise;
- soft skills;
- attractiveness of employer for high potentials;
- ability to retain top performers for a longer period;
- ability to provide a work-life balance matching the life phase of a consultant.

The individually tailored global competency model is applied to various departments of Kienbaum and

used for both – assessment of candidates' competencies for different consultant positions and for the annual reviews and career and development planning. The key to success is the right direct and indirect deduction of professional and non-professional requirements, which are derived from the key success factors of the company and specific business situations.

### ***Human resources management as an organizational expert in recruiting***

When recruiting new consultants, consultancies face two major challenges. The first one is the fact that growth is only possible through the increase in the number of consultants. That is why consultancies compete with each other's and also with companies from dynamic industries with bright future [Kubr, 2002, pp. 13-15]. The second challenge is to recruit only the best candidates – the second-best are just not good enough. This narrows the recruiting pool and the high potentials are aware of their possibilities on the job market [Barkawi, 2010, p. 10].

The main sources of new consultants are top universities and business schools, and therefore consultancies try to recruit the following candidates: those with a college education with no specific discipline, aged between 25 and 30 and outstanding grades [Kubr, 2002, p. 18]. Normally consultancies do not hire for higher positions, except if they want to build up a new business and they currently do not have enough expertise in that particular field. The main recruiting channels are business ventures and colleges. The tools are ads in the business press, but cooperation with student associations plays an important role too.

Normally, consultants do not have any official entry barriers like lawyers or medical doctors. However, it is a common belief that a consultant has to have a university degree [Reiners, 2006, p. 29]. Although consultancies hire mainly graduates, they require some business experience. Ideally, they have a PhD or a MBA combined with first working experience. In any case the candidates have to have excellent results and international experience. English is a must.

Due to changes in the business environment, consultancies have to provide a diversified working environment to keep and attract a more heterogeneous employee pool with more experience and knowledge [Grauber, Richter, 2003, p. 38]. This means that consultancies have to offer a lot to attract candidates – the main selling proposition is personal and professional development. Vast industrial and methodological experience that would normally have been acquired via a career in different companies, is gained in a single consultancy through different projects and usually much faster. This enables new job perspectives and opens a lot of doors [Reiners, 2006, p. 29]. Most top managers in corporations today have proven themselves as able consultants and have built an important business network. Additionally, consultancies spend up

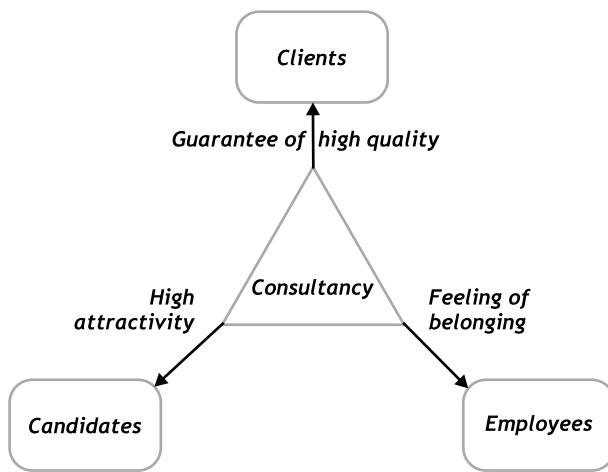


Figure 2. Selection signals sent out by consultancies

Source: [Domsch, Hristozova, 2006, p. 9]

to 10% of their revenues on training. This is of course value added for the customer, but it is an investment into their own human capital. Moreover, consultancies have a clear and fair career path, because higher levels are not as restricted to a few employees as in other companies.

Recruiting is the main task of HRM and also the area where value is created. Bad recruiting decisions should be therefore limited because there are high costs of training and coaching as well as other solutions to improve skills and qualifications of consultants who show low performance. Some skills cannot be learned or can only be developed on a limited scale [Jochmann, 2006, p. 44]. Such skills are problem-solving abilities, stress resistance, motivation, social skills and flexibility. That is why recruitment and consultant selection is a key element of management of a consulting company – also for its top management – and HRM should facilitate this process. The available tools are:

- structured, competency-based interview scenarios for at least two comprehensive interviews;
- systematic analysis of the CV based on experience (grades, colleges, internships, professional experience, social activities, etc.);

- candidates self-assessment and personal questionnaire;
- dynamic individual assessment with focus on the job the candidate applies for.

All assessments should be based on two pairs of eyes principle, which means that every candidate is always observed by two people. The interview should consist of as many simulated real life situations as possible. Typical situations would be problem analysis, conflict discussion with a client or consultant, project planning / design or a client presentation. Consultancies which offer HR consulting will benefit from their experience and have a head start compared to companies that do not have such a product in their portfolio. The reason is simply the experience and knowledge of newest trends and tools in this area.

### **Selection of consultants for consultancies**

The selection of candidates for consultants is divided into two parts: the selection when a consultant is hired and the continuous selection throughout his or her career. There is a common, but controversial policy of “grow or go” [Franck, Pudack, 2012, p. 9]. This means that there is an ongoing internal competition which sends signals to three different recipients: clients, candidates and employees (Figure 2).

Because effects of a consulting service are often hard to measure, the reputation of a consulting company is a central way to acquire new clients. Through the selection of best candidates the consultancy signals the guarantee of high quality [Franck, Opitz, Pudack, 2002, pp. 39-40]. Additionally, a high percentage of rejected candidates signals to the business environment that the company chooses carefully and rationally. This means that consultants feel themselves as members of the intellectual elite and are proud to be a consultant – and member of a particular consultancy. The feeling of belonging to the company implies that in the selection process also future peers are involved. This allows a better assessment of cultural fit to the organization. An additional benefit of the difficult selection

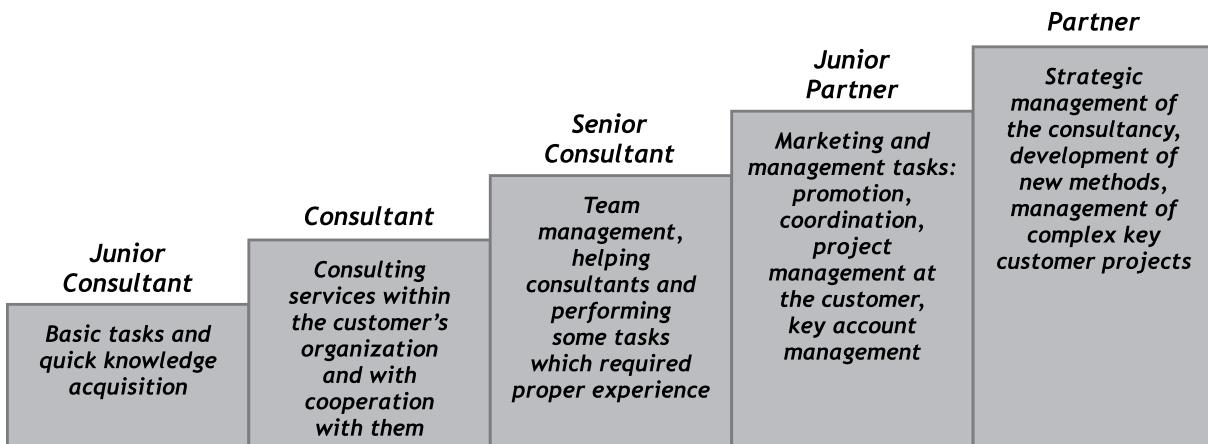


Figure 3. Career path in a consultancy

Source: [Domsch, Hristozova, 2006, p. 12]

process is the self-selection of potential candidates. Candidates who are not self-confident will not enter the recruiting process.

### **Training and development of consultants**

Training and development of consultants as a HRM process consists of several sub-processes. These are socialization, training, career development, coaching and mentoring. Consultancies invest into training and development of their employees to match the ever growing customer needs and to ensure their attractiveness as an employer [Graubner, Richter, 2004]. The companies, though, have to answer two questions. Does the training give the consultants the desired knowledge and develop the right skills? And is the training more efficient when single consultants participate or groups? As projects are in most cases teamwork it is desirable to have training in groups, too [Hunter, 1999].

Training can be divided into two phases. The first is the initial training, which aims to socialize the new employee and familiarize him with the "consulting philosophy" and organizational culture. The second phase consists of further training for experienced consultants. Training in consultancies focuses on working techniques, methodological questions and strategic orientation as well as the professional challenges that consultancies and their employees face. Training sessions are usually interactive workshops. This allows the knowledge to be put into practice. Career perspectives are one of the main reasons why candidates choose the job of a consultant [Graubner, Richter, 2003, p. 43]. Normally, one will find around four or five career levels. It takes usually around 10 years to achieve the highest level of partner (Figure 3).

In current times dynamic new consultants rarely want to wait ten years to become a partner. Moreover, quick promotions and advancement on the career path motivate consultants and form a dynamic and competitive working environment. But this also has downsides during harder times. This means that consultancies have to offer an alternative to a quick career to their employees. This often helps to retain employees with specific knowledge and skills who are not keen on quick career-development. This can be combined with an expert career path where suitable employees concentrate on professional development in their fields of expertise instead of advancing their career path.

### **Research methodology**

In 2012 the author conducted a survey on consulting services among consultancies which specialize in logistics consulting. The author received 14 answers from managers of these companies which is a fair number considering the difficulties usually faced in this industry. The managers had been selected to reflect the various consulting companies in the area of supply chain con-

sulting. In the first step a sketch of the market has been made and then for each market cluster two companies of typical size, portfolio and geographical range have been selected. The choice has been validated by experts. In total 16 questionnaires have been sent out. The sizes of the companies (in employees and turnover) as well as the responding manager positions in the companies are shown in the following Figures 4 to 6.

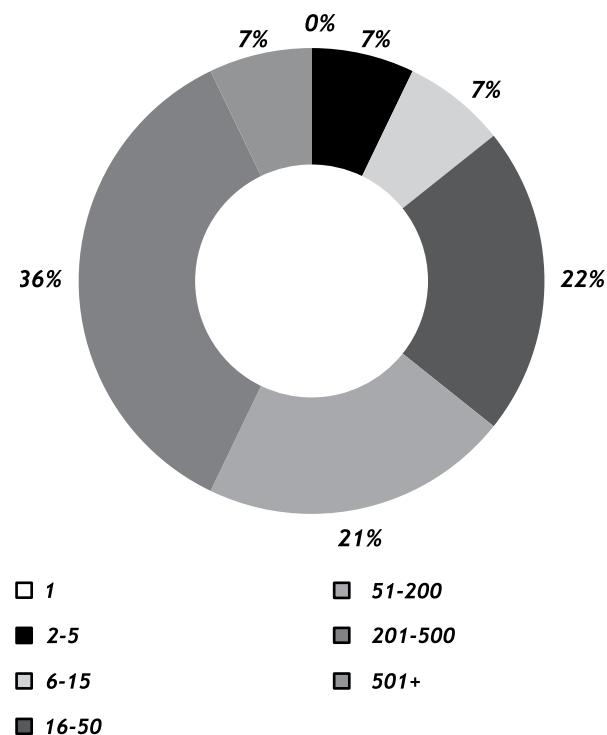


Figure 4. Size of companies participating in the survey (regarding number of employees)  
Source: own elaboration

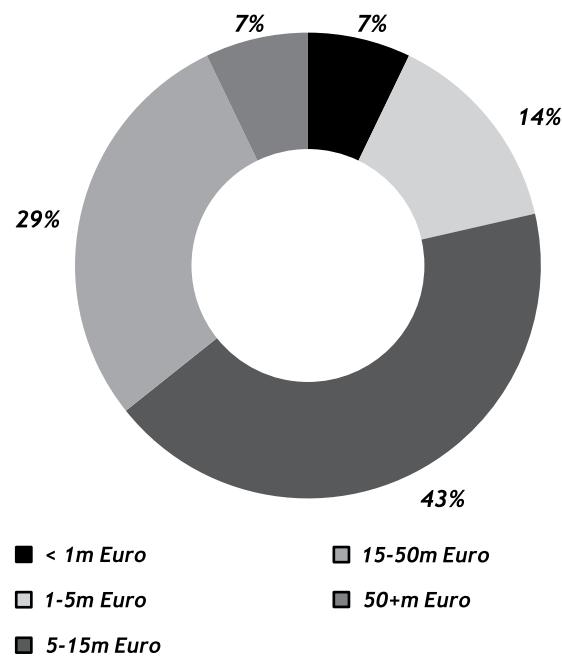


Figure 5. Size of companies participating in the survey (in turnover)  
Source: own elaboration

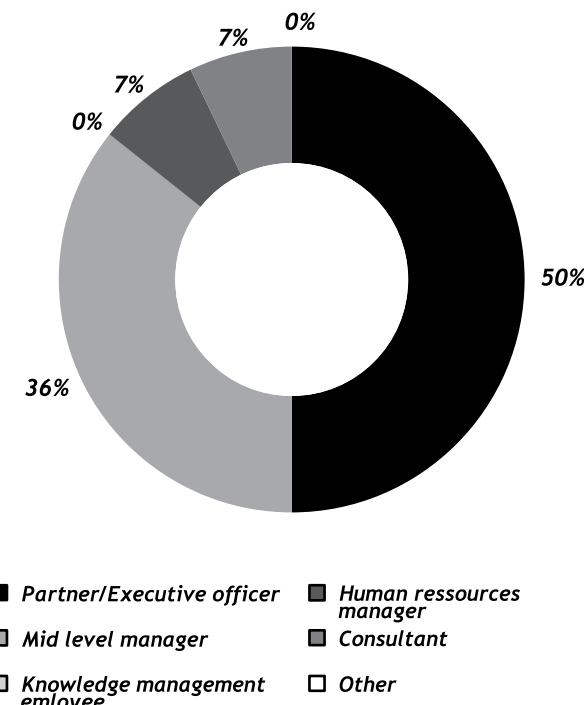


Figure 6. Role of participants of the survey in their companies

Source: own elaboration

The aim of the survey was to show the internal view of key success factors. Interesting for this article are all questions related to recruiting,. There have been nine open multiple choice questions in that topic:

1. Who is responsible for recruitment in your company?
2. What channels do you use for recruitment of graduates, experienced consultants and managers?
3. What are the most important traits and skills of a graduate that are considered during recruitment?
4. What are the most important traits and skills of an experienced consultant are considered during recruitment?
5. What are the most important traits and skills of a manager are considered during recruitment?
6. What tools do you use in the recruiting process?
7. Please rank the tools from question 6.
8. What is the ratio of candidates who have been invited to an interview to the total applications?
9. What is the ratio of successful interviews to total interviews?

## Discussion of research results

The results show that managers of functional departments play the key role in the recruitment process (Table 1). This is the case in nearly 80% of the questionnaires. This is as expected because department managers can best determine requirements for consultants. Please note that multiple answers could be marked and in many cases recruiting responsibility is shared between company functions. Department managers are in that case heads of consulting departments like network planning, conceptual design, SCM IT, etc.

The recruiting channels differ substantially depending on the positions being recruited (Table 2). Graduates or young professionals are sought) through a variety of channels – mainly advertisements recruitment sites, business fairs, cooperation with universities. The more senior the position, the more predominant some channels become – advertisements in recruitment sites and industry fairs. For manager positions an important role is played by head-hunters. This underlines the limited pool of people with the right experience, knowledge and business network.

Table 1. Recruitment responsibilities in logistics consultancies

Responsible for the recruitment of new employees	Percentage
Department managers	79%
General management	43%
Human resources department	29%
External entity responsible for recruitment (Head hunter/HR consultant)	7%
Other	7%

Source: own research

Table 2. Consultants recruiting channels

Recruiting channel	Graduates	Experienced	Managers
Paper advertisements	14%	14%	57%
Industry fairs	43%	57%	0%
Student fairs	14%	0%	0%
Cooperation with universities	36%	0%	0%
Headhunters	0%	21%	79%
Ads in recruitment sites	71%	93%	100%
Job agencies	0%	0%	0%
Other	29%	14%	0%

Source: own research

There are also differences between requirements for graduates, experienced professionals and manager candidates. However, the most important ones – analytical, communication and presentation skills – are found on top of the list for all three groups. For graduates marks from studies are also important along with study subject, IT skills and the university they graduated from. Other criteria are “nice to have”, but not necessary. When looking at experienced consultants recruiting communication and presentation skills are at the top, but closely followed by work experience along with past employers, project man-

agement skills and recommendations. School and university marks are less important. The relatively low percentage recorded for analytical skills can be partially explained by the fact that these skills have been replaced with experience. That experience is at least a good substitute or something so essential that it is seen as given. In the last group – managers – presentation and communication skills are also the most important ones and work experience has gained additional percentage points. The answers found in the survey seem to back my expectations. That is that the different tasks in a consultancy require a differentiated set of skills, experience and training, which is implicitly or explicitly known by the recruiting responsible. The details are shown in (Table 3). Please note that 1 was the lowest score and 7 the top score (the higher the number, the more important the skill).

*Table 3. Consultant recruiting criteria*

<b>Recruitment criterion</b>	<b>Graduates</b>	<b>Experienced</b>	<b>Managers</b>
High school marks	3,3	2,0	1,3
University marks	5,1	3,4	1,6
University subject	4,2	2,9	2,3
University (Name, Reputation)	4,0	3,0	1,9
Activity in students organization, NGOs, etc.	2,6	2,3	1,6
Work experience	3,4	5,3	6,2
Recommendations	2,3	5,1	5,2
Previous employers	---	5,2	4,9
Work experience in a similar job	---	---	6,4
Analytic skills	5,6	4,4	3,6
Presentation skills	5,5	6,3	6,4
Communication skills	6,0	6,4	6,4
Project management skills	3,2	5,2	5,9
IT skills	4,0	3,9	2,9

*Source: own research*

Two main tools are used in the recruitment process (Table 4). The first one is the professional interview with a focus on specific topics (79%) and case studies (71%). The next in the ranking with a still considerable 43% is the analytical/intelligence test. An individual psychological profile and assessment center are fairly highly ranked (4<sup>th</sup>) but these are tools and methods are rarely used. These tools require hiring an external psychologist

and/or moderator, and are therefore costly. They are time-intensive and in the case of an assessment center the additional challenge is to get all the candidates into one place at a time. This is the case especially when it comes to experienced people who still work in their current jobs and are less flexible. Presentations on a chosen topic are fairly often used – because of the simplicity and the already mentioned importance of presentation skills.

*Table 4. Recruiting tools/methods*

<b>Recruiting tool/method</b>	<b>Usage</b>	<b>Rank</b>
Intelligence/analytical test	43%	3.
Case study	71%	2.
Free presentation on a chosen topic	29%	6.
Professional interview	79%	1.
Psychological test	7%	7.
Psychological analysis	0%	4.
Assessment center	7%	4.
Others	0%	8.

*Source: own research*

The last part of the recruiting section of the survey was on the percentage of succeeding candidates to the number of candidates in total (Table 5). 50% of the participants replied that no more than 20% of the applicants have been invited to a job interview. However, 57% of the participants replied that between 20% and 50% of the candidates who participated in the job interviews were presented a contract. This means that the majority of applicants are already rejected during the screening phase of their files in CVs and other documents. This is important so as not to waste the expensive time of consultants taking part in the recruitment process.

*Table 5. Recruiting ratios - applicants to interviewees to contract propositions*

<b>Range</b>	<b>Applicants invited to an interview</b>	<b>Interviewees who got a contract</b>
<10%	21%	0%
10%-20%	29%	29%
20%-50%	21%	57%
50%-80%	21%	14%
80%+	7%	0%

*Source: own research*

## Conclusions

**B**ecause human resources management is a key success factor for consultancies, it needs to be in the focus of management. The management has also to work closely with this department to allow them to fulfill its strategic tasks of being the change agent forming the future of a consultancy through the right selection and development of consultants. There are four main roles HRM plays in a consultancy: change agent, administrative expert, employee champion and strategic partner. HRM can only be successful – and as a consequence the whole consultancy – if it is aware of these roles. Awareness means also the use of the right tools to develop its own employees. However, employee development begins with recruiting. Only the choice of the best candidates at all levels at the consultancy – junior consultants, experienced consultants, project managers and other managers – allows a sustainable growth. The importance of recruiting has been proven by the research presented in this essay where in the vast majority of the survey participants have stated that the department managers or general managers are responsible for recruitment.

The analysis of the reports presented here allows the author to formulate the following conclusions:

- a stronger participation of HR in the decisions is highly recommended as HR professionals can usually better assess the suitability of a candidate for the company. The department managers should have a veto though. However, their main role should be the assessment of professional expertise of the candidate.
- head hunters should be more involved in searching for appropriate candidates even for positions requiring less experience. It could be beneficial to use specialized head hunters to reach for the most promising students combining this with a stronger cooperation with universities. Furthermore, this can be reinforced with recommendations from university staff.
- advertisements in newspapers play a big role in recruiting managers. However this medium is becoming less important and thus it should be scaled down as the costs are substantial.
- each company has to streamline their recruiting process to get the right number of candidates to invite to an interview. A high number (50%+) signals a high need for new consultants but requires also a lot of work. A good choice of recruiting channels allows recruiters to concentrate on promising candidates. The aim should be to give 20-50% of invited candidates the chance to sign the contract. This can be done by having telephone/video interviews in conjunction with initial tests.

These conclusions and suggestions will improve the work of HR departments at consulting companies – or the people responsible for it if there is no such department. This allows a better selection of candidates as

well as keeping the costs of the whole process under control.

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## Endnote

- 1) Kienbaum Management Consulting is an international consulting firm with a turnover of approx. 500 Mio Euro.

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## **Rekrutacja doradców w firmach consultingowych**

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### **Streszczenie**

Zarządzanie zasobami ludzkimi jest jednym z kluczowych czynników sukcesu firmy doradczej. Dlatego też powinno ono być w centrum uwagi kierownictwa takiej firmy. Kierownictwo powinno także ściśle współpracować z tym działem, tak by ten dział mógł wypełniać swoje strategiczne zadania – być agentem zmiany, kształtującym przyszłość firmy przez odpowiednią selekcję kandydatów i rozwój pracowników. Czterema głównymi zadaniami zarządzania zasobami ludzkimi

są: bycie agentem zmiany, administracyjnym ekspertem, czempionem pracowników i strategicznym partnerem. Zarządzania zasobami ludzkimi może wypełniać swoją rolę – a tym samym przyczyniać się do sukcesu firmy doradczej – jedynie, jeśli osoby nim się zajmujące zdają sobie sprawę z tych zadań. Istota rekrutacji została potwierdzona przez aktualne badania, z których wynika, że w zdecydowanej większości badanych firm doradczych za rekrutację odpowiedzialni są kierownicy działów bądź też ścisły zarząd firmy. Większe zaangażowanie działu ZL w proces pozwoliłoby osiągnąć lepsze wyniki, dzięki profesjonalizacji tego procesu. Ponadto wybór odpowiednich kanałów rekrutacyjnych pozwoliłoby lepiej wykorzystać zasoby zaangażowane w rekrutację. Dzięki temu firmy doradcze mogą pozyskać lepszych kandydatów, angażując w to mniej czasu pracy innych pracowników.

### **Słowa kluczowe**

zasoby ludzkie, firmy doradcze

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