

# MCA Response to Call for Evidence on Access to the Professions

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## Executive Summary

73.9% of those surveyed for this report had been educated in state schools, and 85% felt that consultancy was open to all, regardless of background. The absence of the need to gain expensive professional qualifications or complete unpaid internships in order to become a consultant, the possibility of switching to consultancy mid-career, and the industry's focus on talent all promote open access. Firms are frequently running outreach programmes, and although these are not well-known amongst consultants, some have enjoyed conspicuous success.

## Introduction

The Management Consultancies Association is the trade body for the UK management consulting industry. Our 58 members represent 70% of the UK consulting industry by fee income, and between them, work with 90 of the FTSE 100 firms, as well as almost all parts of the public sector. However, management consultancy is not a regulated industry, and MCA membership is not compulsory. Consequently, there are also a number of individual practitioners and firms who do not feature in our statistics.

As required by the MCA's Code of Practice, member firms are committed to ensuring that all candidates stand an equal chance of being hired on merit, whatever their background. Indeed, in an industry which functions by recruiting and deploying talent, any other approach would put firms at a competitive disadvantage compared with their rivals. Similarly, the Code of Practice commits members to providing regular training for all employees to ensure that they continually develop and expand their expertise.

However, although member firms collect data concerning the gender and ethnic origin of their recruits, they do not routinely collect information about candidates' socio-economic status. In an attempt to fill this gap, the MCA carried out a survey of some of its members' more recent recruits. This report is based on the results of this survey, as well as on interviews with employees in the HR departments of some leading MCA member firms.

## 1. Background details and facts:

The fee income of the MCA's members in 2007, the most recent year for which data is currently available, amounted to £5.946bn. The MCA's members comprise 70% of the consulting industry in the UK. Taking this into account, the UK consulting industry was worth £8.5bn in 2007. This represented growth of 10% on the preceding year<sup>1</sup>. In 2007, the MCA's (then 61) member firms employed 33,473 consultants. This represented an increase of 2745 employees or 9% in comparison to 2006,<sup>2</sup> and equated to a mean firm size of 548 employees, although this figure is pushed up by a few large firms. There is also a reasonable degree of "churn" in the industry; the consulting workforce tends to be quite mobile and many employees

<sup>1</sup> MCA, *The UK Consulting Industry 2008*, 12

<sup>2</sup> MCA, *The UK Consulting Industry 2008*, 88

will switch from consulting to industry (or vice versa) and back again over the course of their career. Recruitment patterns in the consulting industry tend to be pro-cyclical; most HR departments are expecting the next 2-3 years to be quiet, followed by a rapid increase in demand for consultancy skills as the economy recovers.

Management consultancies work by offering specialist skills, talent and expertise to clients in order to help them function more efficiently. There are two distinct routes into the industry. On the one hand, firms are keen to snap up talented young graduates, and train them as management consultants; on the other, they are keen to take on people who have built up specialist skills and expertise in a particular area over the course of a career. Across the industry as a whole, experienced entrants are more common, and in some cases, the graduate route into management consultancy a relatively new phenomenon. For example PwC, which runs a graduate scheme in other areas of its operations, only recently introduced a graduate scheme for its management consultancy arm. However, at the other end of the spectrum Accenture has run a graduate scheme for over 20 years, and continues to draw over half its new recruits from this source. As a result, although most – but not all – management consultants are graduates, there are no standard qualifications which firms uniformly require of applicants.

## 2. Evidence on current issues or barriers to access to the management consultancy profession

The MCA's survey on access to the consulting industry was sent to 600 Young MCA members. The Young MCA consists of consultants with up to 5 years' consulting experience. The majority are aged between 25 and 35. 107 responses were received. Although a relatively small sample, this number is still large enough to identify some of the employment trends within the sector.

1. The **backgrounds of consultants** were varied. 73.9% of respondents had been educated in the state sector, (42.1% in comprehensive schools, 17.8% at grammar schools, and 14% at other types of state school). This is not surprising for an industry which thrives on talent.
2. 98% of respondents had **attended university before becoming a management consultant**. This obviously leaves open the possibility that any imperfections in university admissions procedures might be replicated by management consultancies. However, only 23.6% of applicants became aware of their first job in management consultancy through the university milk round. Consulting firms do not usually require applicants to have studied a particular subject at degree level; they are more interested in candidates displaying the analytical skills necessary for a career in consulting. The exception to this is technical roles, for which specific IT or engineering skills might be necessary.
3. 35.8% of applicants **became aware of their first job** through word of mouth, 22.6% through advertisements, and, perhaps unsurprisingly for a sector which thrives on talent, a number of respondents had been head-hunted or found their posts through recruitment agencies. It was interesting to note that, in relative terms, consultants who had been educated in the private sector were more likely to have found their job via the university milk round or by word of mouth, whereas those from a state school background were more likely to have responded to an advertisement or been head-hunted. In absolute terms, however, word of mouth remained the most common form of recruitment in both groups. This form of recruitment might tend to reinforce the existing socio-economic profile of the sector (although, as mentioned above, this profile is already quite diverse).

For employees who join the consulting profession mid-career, word-of-mouth and recruiting agencies are the most common route in. Indeed, some firms actively encourage their employees (through financial incentives) to refer talented acquaintances whom they believe would be able to make a useful contribution to the firm's work.

4. Two routes which did not seem to be crucial in gaining access to the profession were **internships and work experience**. Only 13.1% of respondents had completed an internship prior to becoming a management consultant, and even fewer – 2.8% – had taken part in a work experience programme. No respondent had taken part in a scholarship programme. This is perhaps due to the same factors which dissuade some management consultancies from offering graduate programmes: young, raw students or graduates, however talented, tend to lack the practical experience required to contribute to a consulting firm.
5. MCA member firms also run **outreach programmes**. The industry is well represented on the university milk-round. Universities are targeted according to their results, and entry criteria. Some firms are also active at secondary school level. For example, Accenture runs a Young Enterprise Scheme which reaches out to local schools and is designed to provide help and guidance to those from all backgrounds, relating to CV development, interview technique, etc. However, awareness of such programmes is low within consultancies: only 22.4% of respondents were aware of programmes intended to attract applicants from different backgrounds.
6. Overall, 85% of those surveyed felt that management consultancy was **open to all on merit regardless of background**, and only 9.3% of respondents encountered financial or other obstacles on their path to management consultancy – although obviously this survey did not include those who met but were unable to overcome these obstacles. However, the fact that applicants are not required to gain expensive professional qualifications in order to become management consultants, and the fact that unpaid internships seem to play little or no role in recruitment, probably mean that financial barriers to access are lower than in other professions. In addition to this, the financial packages offered to graduate entrants often include signing-on bonuses designed to help graduates pay off their student loans. In some cases, this extends to repaying MBA fees.

Another factor which might predispose the consulting industry towards talent rather than socio-economic background is the possibility of switching to consulting mid-career on the basis of expertise built up in other sectors.

7. The MCA's members are also committed to ensuring that **equality of opportunity extends beyond the recruitment process** and also covers training and development within the industry. Consulting firms are divided into fee-earners (the consultants) and support staff (communications-, IT-, marketing-, finance- and HR-departments). In both groups, an overwhelming majority felt that access to the profession was open to all, but the figure was higher among support staff than among fee earners (93% and 83% respectively).

### **3. Current initiatives, programmes and policies to ensure fair access to the management consultancy profession**

A “**Co-Coaching**” scheme run by PwC and the Ministry of Justice (but now expanded to include other organisations) whereby PwC employees from minority backgrounds were paired on projects with MoJ employees from similar minority backgrounds has proved successful, providing those outside the industry with insights into its workings. More staff joined PwC as a result.

Differences in national legislation make it hard to share best-practice across different countries, however. For example, whereas recruitment events targeting only women would be acceptable in some countries, in others, such instances of positive discrimination are illegal.

### **4. Suggested actions to extend fair access to the professions**

The Co-coaching scheme has already been expanded beyond PwC and the MoJ to include the National Grid, GCHQ, DCMS, and Vodafone, but might merit being extended even further.

One of the difficulties in compiling this report was the lack of data routinely collected by firms on employees’ socio-economic background. There is good reason for this. To sidestep any attempts at discrimination, firms may not collect information about candidates unless they can demonstrate its relevance to the business case for hiring that employee. However, if the government wishes to monitor the socio-economic profile of entrants to the professions more closely, this area may need re-thinking. In particular, the challenge of meaningfully defining socio-economic status would require careful attention.