CONSULTING EXCELLENCE

MCA
A POSITIVE FORCE FOR THE ECONOMY

THE CONSULTING EXCELLENCE STAFF SURVEY

2017

CONTENTS

CHIEF EXECUTIVE'S PREFACE

The MCA's Consulting Excellence scheme was launched in July 2016. It marks a revolutionary step-change for the whole consulting industry. It is already attracting interest from major clients, who will use it to help them with their buying of consulting services. And it is generating enormous energy, enthusiasm and commitment amongst many of the consultants who work for our member firms.

All our member firms support the 9 Consulting Excellence principles, grouped under the 3 pillars of Ethical Behaviour, Client Service and Value, and Professional Development. They apply these principles in ways that reflect their own circumstances, clients, heritage and culture. The MCA then publishes each firm's Consulting Excellence declaration on our website. The declarations explain how each consultancy works in line with the principles, and evidences the impact that they see from their actions and policies.

To support Consulting Excellence, the MCA Board agreed that we should conduct 2 annual surveys: i) of consultants who work in our member firms and ii) of the clients who they serve. Over time, we aim to track the impact of the scheme with both.

This report summarises the findings of the first survey of consultants. It is based on the responses of the largest sample of individual consultants we have ever surveyed. It serves, effectively, as the benchmark for the industry. It will be of great use and interest not just to the MCA, but to individual member firms and their consultants. We will repeat the survey towards the end of 2017.

Alan Leaman
Chief Executive, MCA

LIST OF FIGURES

INTRODUCTION

As part of the MCA's commitment to *Consulting Excellence*, we have undertaken to conduct an annual survey of staff across our member firms. This report documents the findings of the inaugural survey. Here, we have measured staff recognition of *Consulting Excellence*. We have gathered their thoughts on how the initiative can be embedded within the industry. This exercise will be complemented by the first annual survey of clients, which we will conduct later this year.

The findings are in considerable measure a baseline. Future surveys will allow us to plot trends. We will be able to examine effectiveness of *Consulting Excellence* as a mechanism for transforming our industry. Many of the graphs included here are self-explanatory. For these reasons, we have kept our commentary to a minimum. However, we have drawn attention to some headline issues. These concern not only the qualitative responses on matters such as training, but also critical indicative information about who responded. These 'who' findings are not absolute pictures of our industry. They do however provide powerful trend data. Some of that is not merely of relevance to *Consulting Excellence*. It is also material for our Year of Diversity.

There are almost innumerable ways in which the full data set can be subjected to proportionate regression analyses. Headline responses to questions about the *Consulting Excellence* pillars can be examined by gender, grade, firm type. We have included just some of the permutations here. However, we offer two additional services to member firms going forward.

1. If a member firm has a specific analytic request – eg percentage of female consultants at manager level in engineering firms who gave positive feedback about their firms' training and development – we will try to answer that need, within reason. We will also conduct some of this additional analysis ourselves throughout the Year of Diversity – to identify any patterns within respondent types

2. All firms that provided a sufficient number of returns to meet a core requirement of the survey – that respondents should remain anonymous – will be able to request a firm-based readout of their results. You can then compare this to the headline findings.

Variations in respondent numbers between member firms were substantial. Many did well. Some failed to make any returns at all or supplied only low numbers relative to their size. One Big Four firm in particular, which asked for an extension (to which all member firms were alerted and from which all were able to benefit), substantially outstripped comparable organisations. This was a testament to the vigour with which the survey was promoted within that firm, as well as its collective ingenuity. Even though staff faced technical challenges in completing the survey on desktop, they nevertheless responded in volume using mobiles alone. This shows the willingness of staff, when encouraged by their leadership, to engage with this kind of survey.

Needless to say, such a large presence for one firm in the survey caused a (very limited) skewing of the results. However, after some reflection, we have decided not to correct for this. This is partly because the skewing factor is indeed limited. Moreover, the aggregate picture proved more representative with this firm's returns included, given the consultant numbers in the larger firms. Finally, we did not state at the outset that we would weight any returns negatively or positively. So we will not.

We hope response rates in future will be more uniformly strong across MCA firms as the value of the exercise becomes more widely understood. Nevertheless, with 658 respondents, in the first year of its operation, this is already the largest single survey exercise we have ever undertaken, far ahead of the 386 who responded to the Young Consultant survey.[1]

METHODOLOGY

Working with the MCA Board, the Think Tank devised a questionnaire to baseline consultant awareness of and attitudes to *Consulting Excellence*. The questionnaire was circulated through the MCA's various mailing lists. It was publicised repeatedly in newsletters, throughout MCA networks and on the MCA website. MCA Council Representatives, HR, marketing and internal communications professionals were also targeted and asked to circulate and publicise the survey to their employees.

The survey was open for completion from mid-November 2016 until Christmas. Following a request from one of our member firms, the survey was reopened for a short period in January 2017. All eligible firms were made aware of this extension.

The questionnaire, which took about ten minutes to complete, first asked consultants questions about themselves – nationality, gender, ethnicity, age, sexuality, grade, markets, service lines etc. We next asked about *Consulting Excellence* in general and finally focused the scheme's three pillars.

This report is a summary of findings. The results for each headline question have been converted into summary graphs. Findings were also subject to sample regression analyses. Certain answers were analysed by the firm size, type, gender and seniority.[2] We intend to continue this type of analysis on request and in support of the Year of Diversity throughout the coming months.

As indicated, member firms may request a firm-specific read out of their firm's results, subject to the firm's response volume being sufficient to protect anonymity.

[1]*Our Consulting Future,* 2016 https://www.mca.org.uk/reports/reports-data/our-consulting-future/
[2]The firm size and type classifications are those used in our Annual Industry Reports. Small firms have fee income below £10m, large firms over £320m. Medium firms are in between. Firm types are Audit, Infrastructure, IT and Service Providers, Niche Specialist, and Pure Management Consulting.

SUMMARY OF FINDINGS

WHO

- Significantly more men than women responded to the survey at 63% to 36%. Around 1% chose not to identify their gender. This is a less favourable outcome than in the Young Consultant survey of 2016, which had 59% male and 41% female respondents
- Despite continuing evidence of ethnic and racial diversity, the sample, like the Young Consultant survey before, scores poorly in terms of black representation. Only 1.9% of respondents were black African or African Caribbean, compared with a national average of 3.3% and a London average of over 11%
- 85% of the sample self-identify as British (compared with about 76% in the Young Consultant Survey)
- 41 nationalities are represented across the returns, higher even than the diverse Young Consultant Survey, owing to the larger sample
- Over 7.5% of respondents identified as non-British EU nationals
- Around 4% self identify as being other than heterosexual, roughly on trend with some projections
- The survey shows further evidence of the diversifying educational background of consultants
- Marked differences exist between genders in terms of the sectors in which consultants work and the service lines in which they specialise
- 76% of respondents consider themselves to be 'career consultants', with especially high percentages considering themselves to be so in infrastructure firms (93%) compared with 64% in niche consulting practices

Consulting Excellence General

- 58% of respondents had heard of *Consulting Excellence*
- Female consultants are less likely than male counterparts to have heard of *Consulting Excellence*
- Respondents from larger firms and, accordingly, from audit firms are much less likely to have heard of *Consulting Excellence*
- 55% of respondents say their firm has been active or very active in promoting *Consulting Excellence*. However, around a quarter say their firm has been inactive or very inactive
- Large firms have performed less well in promoting *Consulting Excellence* than small firms, niche practices and pure management consulting firms
- 32% of consultants think the standing of the consulting industry with the general

public is poor or very poor

- Consultants in smaller firms are marginally more positive about the reputation of the industry than those in larger firms
- Respondents from audit and IT/service provider firms are marginally more conscious of reputational challenges, though there is widespread awareness of the issue
- Junior consultants are less likely to see the consulting industry as having reputational issues than their more senior counterparts
- Respondents tend to believe that their firm specifically, however, has a positive standing with the general public
- Respondents are positive about the reputation of the industry with clients, and especially so where their firm is concerned.

Consulting Excellence Pillar 1: ethical behaviour

- 91% of consultants believe their firm is good or very good in terms of commitment to ethical behaviour.
- Firm types and sizes score pretty comparably on this, with niche providers marginally below trend
- Respondents particularly note firms' support for staff on ethical conduct (48%) and commitment to anti-discrimination policies (56%). Comments focus on objectivity and putting client interests first.
- By way of ethical improvement 41% of respondents highlighted the need for better approaches to sustainability, while comments highlighted the need for the diversification of leadership teams

Consulting Excellence Pillar 2: client service and value

- 92% consultants believe their firm is good or very good at the delivery of client service and value
- Smaller firms, pure management consulting and infrastructure firms score particularly highly in this area
- 69% of respondents suggest that what differentiates them here is their ability to collaborate with clients
- 34% argue that client service and value could be improved through investment in R&D while 36% believe that learning from projects is key

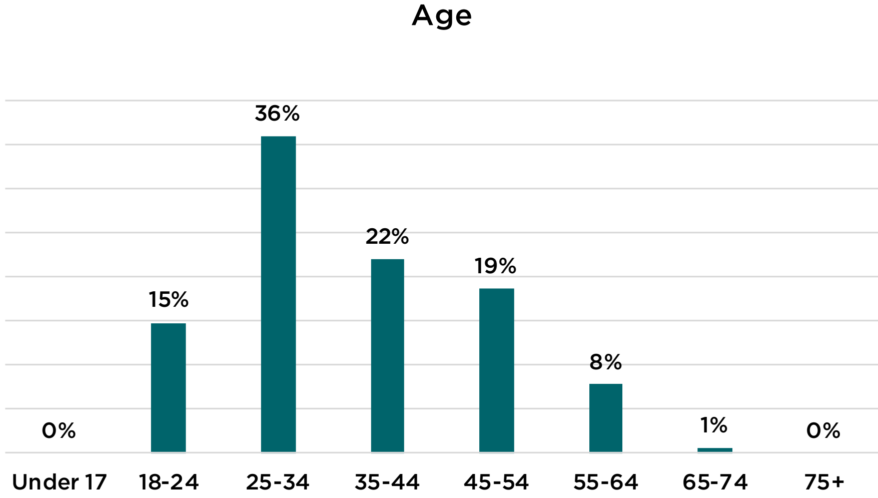
Consulting Excellence Pillar 3: professional development

- 65% of respondents believe their firm is good or very good at professional development
- Women are more likely to be dissatisfied with their firm's commitment, with 15% of women saying their firm was poor, compared with 6% of men
- Despite this, there were more positive responses from women than men on staff development, training, career progression, and a comparable response on welfare
- 44% of respondents indicated that their firm's overall approach to training and development was what differentiated it in professional development
- 58% of respondents rated their firm's training as good or very good
- Larger firms score better for training than smaller firms
- Respondents from infrastructure firms are sharply divided on training, with high positive ratings and the highest combined negative ratings (with low 'average' responses)
- 59% of respondents said their firm's approach to staff development was good or very good
- Respondents from large and audit firms are especially positive about staff development, with those from niche providers least positive
- 51% of respondents said their firm's approach to career progression was good or very good, 38% saying it was average
- Respondents from pure management consulting firms are most positive about career progression, with those from infrastructure firms least positive
- 72% of respondents said their firm's approach to staff welfare was good or very good
- Respondents from small firms are most positive about staff welfare approaches in their firm
- Large firms and audit firms have the lowest proportions of positive responses here, while infrastructure and IT/service firms have the highest proportions of negative responses
- In seeking to improve training, development and career progression within their firms, 52% of respondents highlighted the management of attractive career paths
- There were differentially high results for the MCA compared with member firms in external publicity, commentary, explanation and policy shaping, in responses relating to raising the status of the consulting industry.

FINDINGS: WHO

Respondents were asked to give their age.

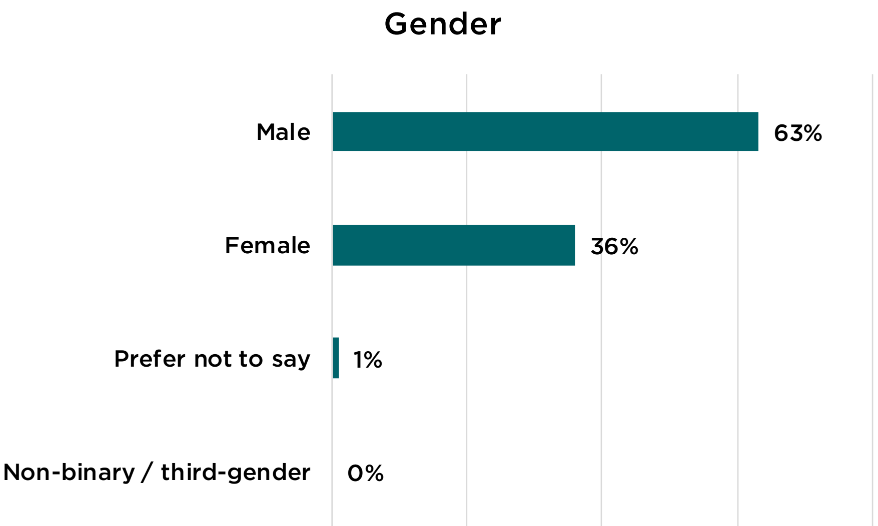
Figure 1



The slight skewing of respondents towards the lower age groups in figure 1 is counterbalanced by gratifying response rates right through to and beyond usual retirement age. The overall response correlates reasonably closely with the grade distributions later.

Respondents were asked their gender.

Figure 2



This response rate in figure 2 is not an absolute guide to consulting numbers and gender balance. However, there can be no doubt that this has some indicative standing. It is a disappointing distribution, especially when compared with the slightly more equal position in the Young Consultant survey of 2016 (about 59% male to 41% female).

Respondents were asked about their ethnicity and nationality.

Figure 3

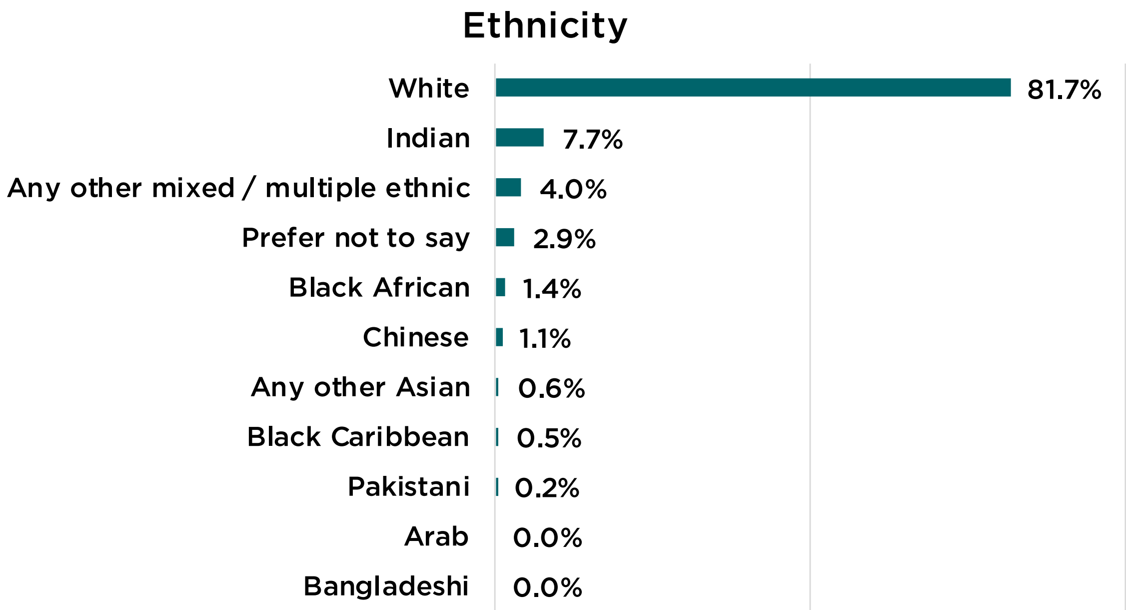
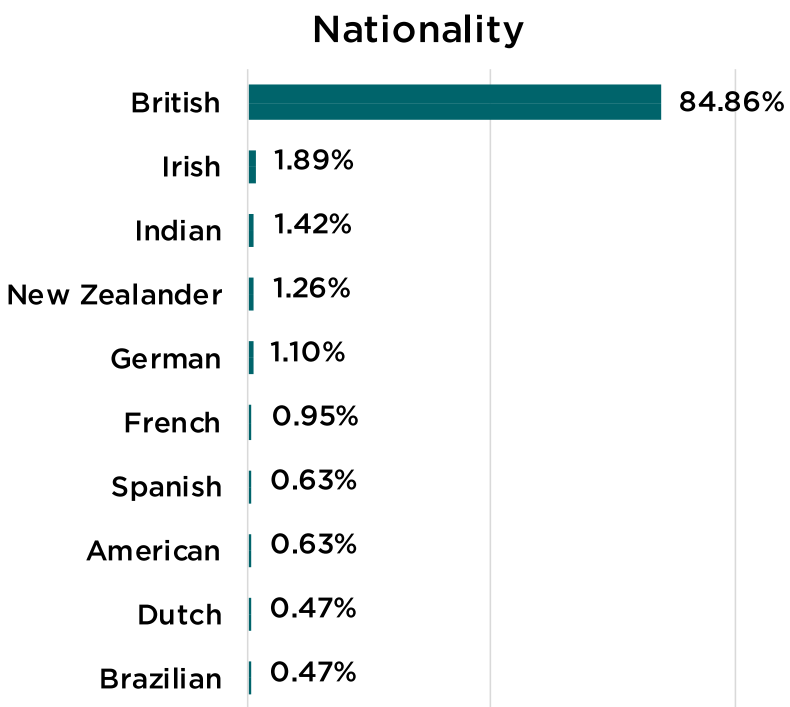


Figure 4



The 81.7% identifying as white is similar to the figure in the Young Consultant survey, and the ethnicity picture is one of great diversity.[3] However, in common with the Young Consultant Survey, there seems to be a significant issue of underrepresentation of Black Britain within the

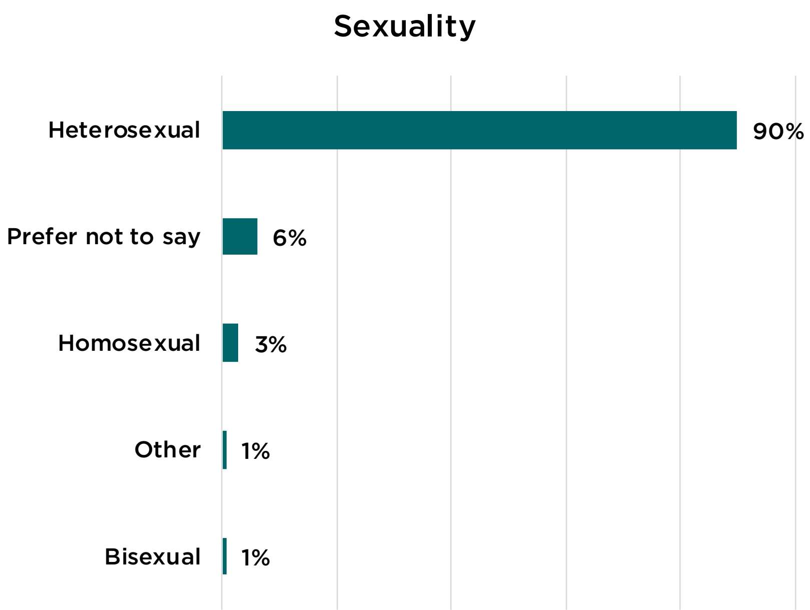
[3]The national picture on white identification in the 2011 Census is 86%. ONS, Census 2011

consulting family. The combined Black African and African Caribbean percentage here is lower than the UK percentage overall (3.3%). Further, we commonly attribute the ethnic and nationality diversity of our samples to the predominance of respondents based in London and the South East. This rather worsens the positions, since the combined London Black African and African Caribbean population is over 11%.[4] This matter warrants serious attention. We will examine it during our Year of Diversity.

In this exercise, around 10% more respondents self-identified as British than did in the Young Consultant survey. The sample of nationalities listed in Figure 4 is not comprehensive. The overall picture however is that 41 nationalities were represented in the survey, an even more extensive array than in the Young Consultant survey, attributable in part to the larger sample size. 7.5% of respondents identified as non-British EU nationals.

Respondents were asked about their sexuality.

Figure 5



The responses summarised in Figure 5, which are, according to some assessments, broadly on trend, will be extremely useful for us in examining LGBTQ issues in the course of the Year of Diversity. We will analyse distributions across firms, grades and so forth.

[4] Ibid

Respondents were asked to identify their highest level of educational attainment.

Figure 6

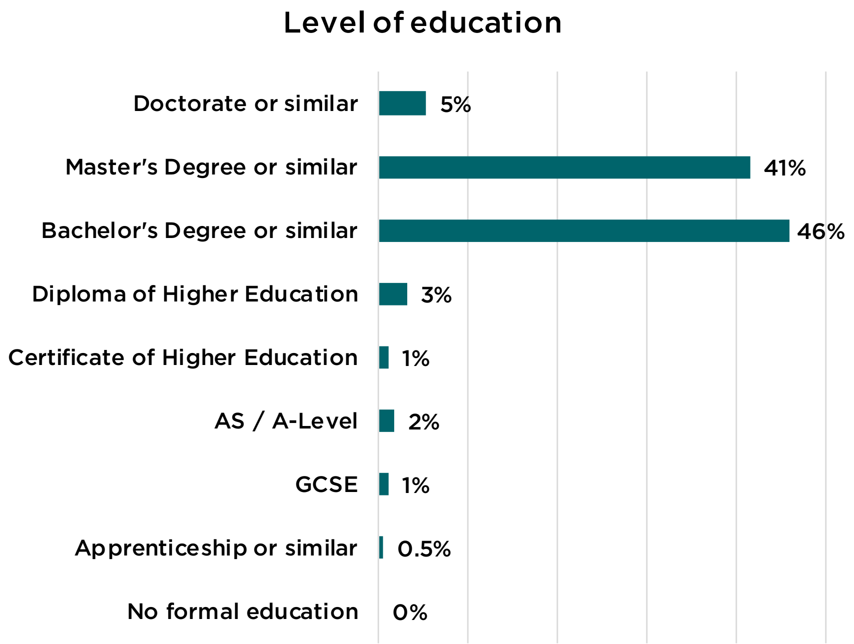
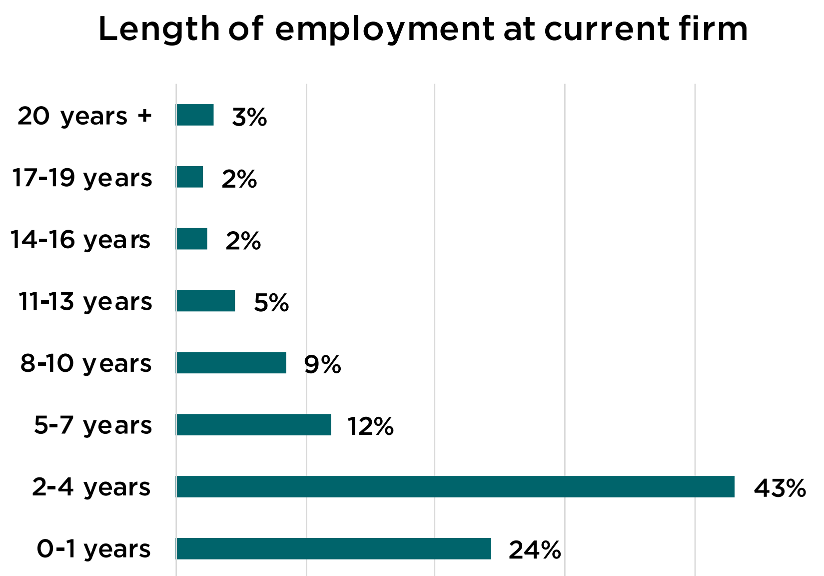


Figure 6 shows some rather significant findings. 92% of respondents with degree or above education is obviously the lion's share of respondents. However it is lower even than the figure in the Young Consultant survey (95%). In the latter survey, this was down on the previous baseline of 99%. These data evidence an interesting trend. Employers across the consulting industry want to diversify their supply of consultants and now seek beyond traditional graduate routes. Factors such as digital are intensifying this. So too is the (albeit as yet merely inchoate) apprenticeships agenda.

We will monitor this trend towards educational diversity closely across future returns.

Respondents were asked about their length of service at their current firm.

Figure 7

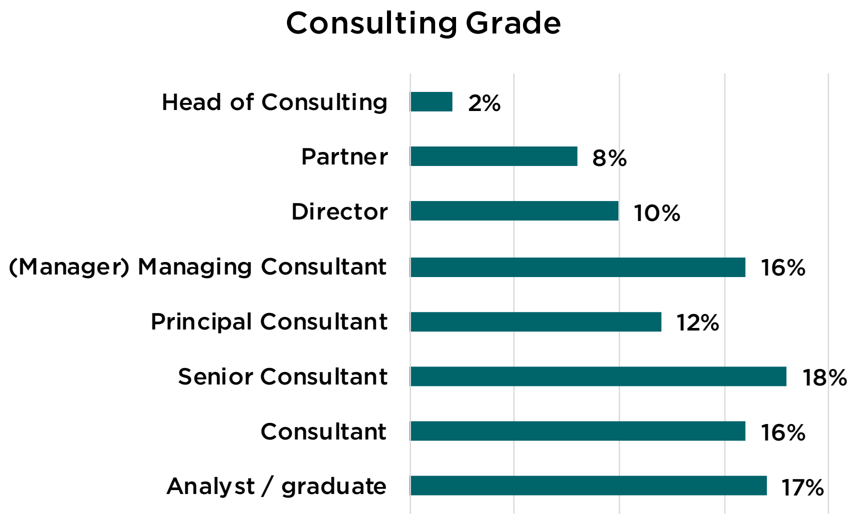


The significant representation of lower lengths of service in figure 7 is to some degree proportionate to the age profile of respondents. However, there are two other factors in play here that give this balance its even more marked quality. First, recruitment across consulting has reached industrial scale in recent years, especially since the return to economic growth in 2013. Accordingly there are large numbers of comparatively new joiners, especially in the larger firms. Secondly, there is a tendency in consulting, as we have observed in a number of reports, towards movement between firms. This tendency is historic, anticipates the highly lubricated labour market conditions of the Digital Age, and may have been intensified or at least consolidated by those conditions.

Nevertheless, it is interesting to note double-digit percentages of respondents who have been in their firms for ten years or more.

Respondents were asked about their grade.

Figure 8



Despite the preponderance of lower grades in figure 8, a function of respondent age range and a reasonably likely employment distribution in any case, it is gratifying to see representation at all grades in the responding population.

Consultants were asked to say in which market sectors and service lines they work, specifying up to two in the first case and up to three in the second.

Figure 9

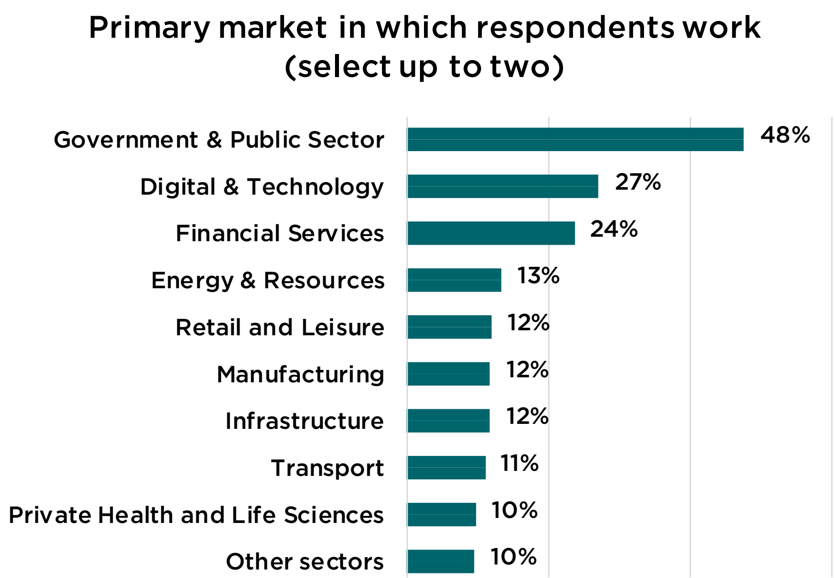
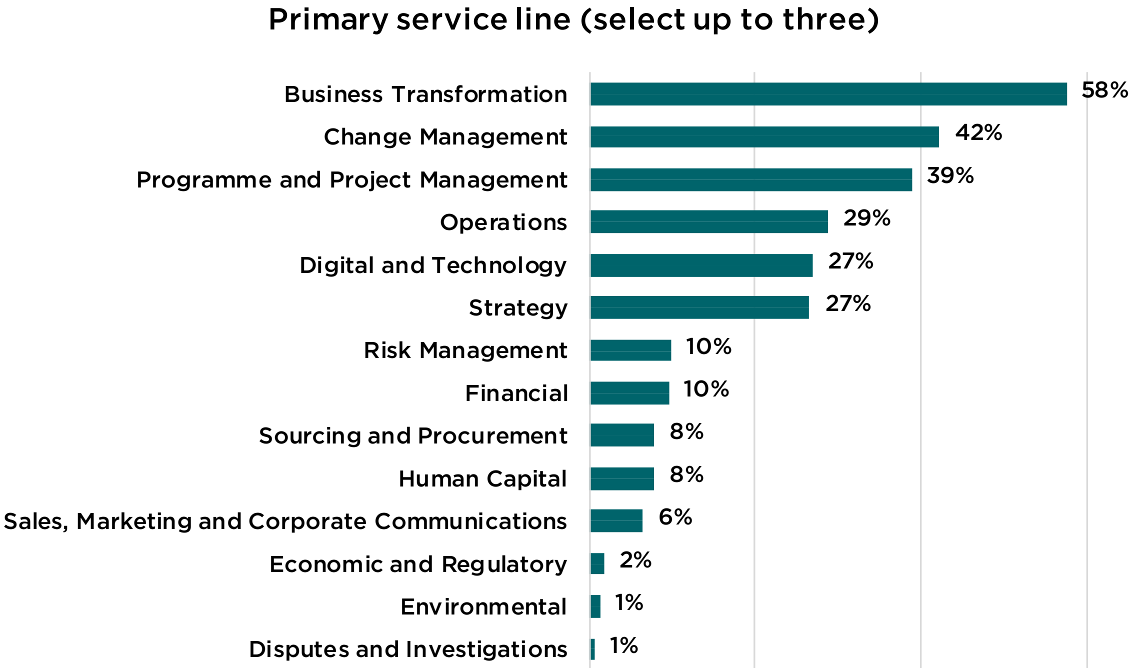


Figure 10



It is noticeable that neither result here is on trend with the picture of industry activity in general, especially when calculated by fee income. In sector terms (figure 9), financial services is under-represented relative to its importance as consistently the largest consulting market. Similarly, in service lines (figure 10), business transformation's ranking is disproportionate compared to digital, the largest service line by fee income since 2013. Significantly, these rankings map almost precisely across to the findings of the Young Consultant survey. We noted then that business transformation has a 'catch all' quality. Even specialists in digital or operations may well be allocated to it in their firm's organisation. However the sector picture in both surveys seems to indicate to us that we are not necessarily reaching a large enough group of consultants working in financial services. We will look to remedy that in future exercises.

We have broken these pictures down by gender.

Figure 11

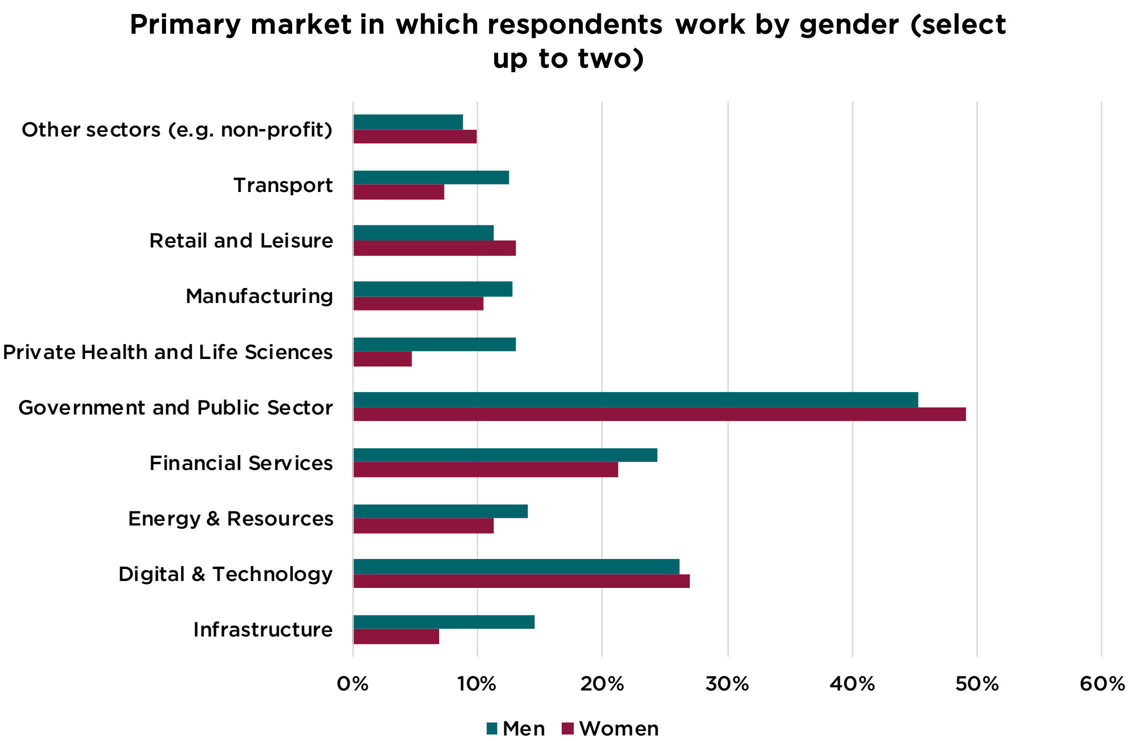
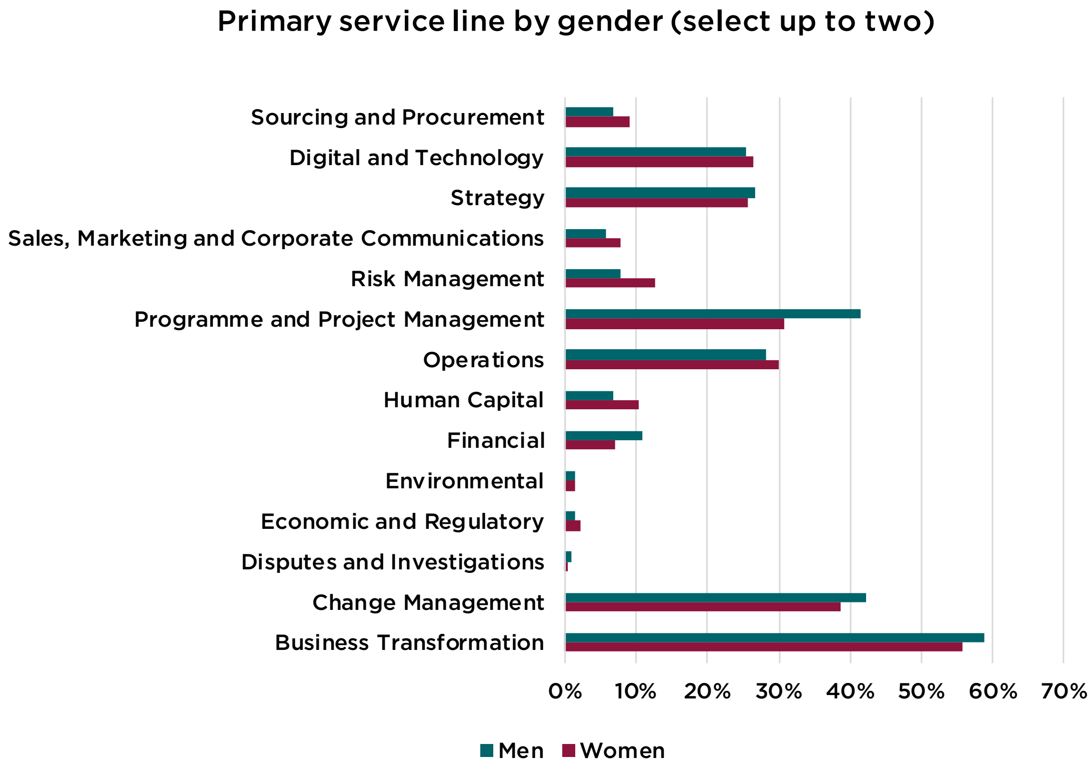


Figure 12

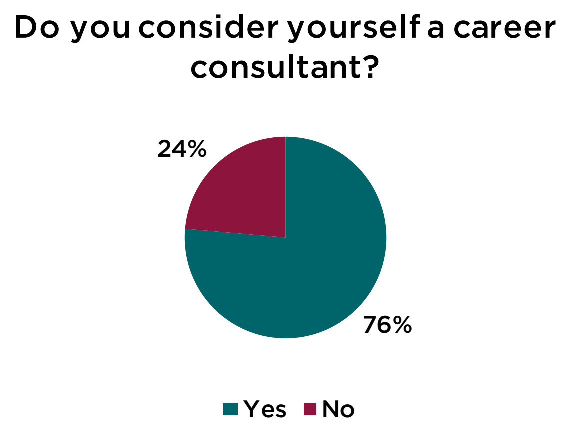


There are some unsurprising if rather disappointing trends here. Figure 11 shows proportionately more men in infrastructure, energy, transport and manufacturing, with higher proportions for women in the NFP and public sectors. The results bear out the evidence of MCA sector-specific roundtables. There are of course wider labour market factors than consulting can itself control in play here. However, among the arguments adduced by member firms as to why these distributions occur is client mirroring. Male/female consultants gravitate towards male-dominated/feminised professions. In the past, firms may even have deployed consultants (consciously or not) in these patterns, in the interests of client 'alignment'. Of course, many member firms are challenging this sort of thinking, which ultimately benefits neither clients nor consultants. In the Year of Diversity, it is high time that efforts were made across the whole of the profession to eradicate this mirroring.

In the service lines (figure 12), men proportionately predominate in the major 'war horses' of business transformation, change and PPM. Women are again proportionately better represented in 'feminised' areas such as sales, HR, though they are also well represented in operations and procurement. The most encouraging stories are the proportions of women in digital, at both a service line and sector level. Getting women into technology has been a particular preoccupation of many member firms. At the level of proportion, if not yet in terms of absolute scale, the early results are encouraging.

Our final question about the respondents themselves asked if they considered themselves to be 'career consultants'.

Figure 13



This question was stimulated by nuances in the Young Consultant exercise. These related to consultants' expectations about moving to and from client sectors across the course of their career. There were also associated issues about the image of consulting as a profession, especially in the context of current industrial-scale graduate recruitment, which contrasts with the historic and ongoing importance of mature hires from target sectors. While the findings in figure 13 look encouraging, almost a quarter of current employees do not consider themselves to be career consultants.

There are some intriguingly differential pictures across firm sizes and types.

Figure 14

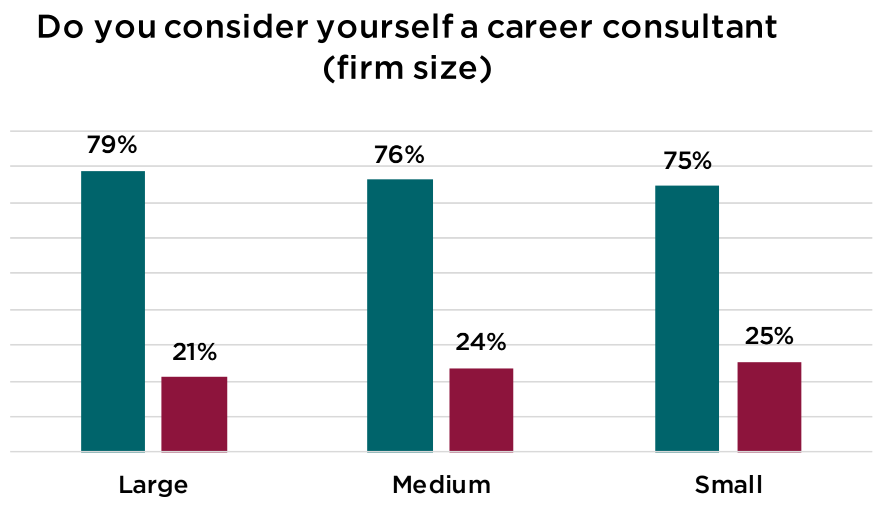
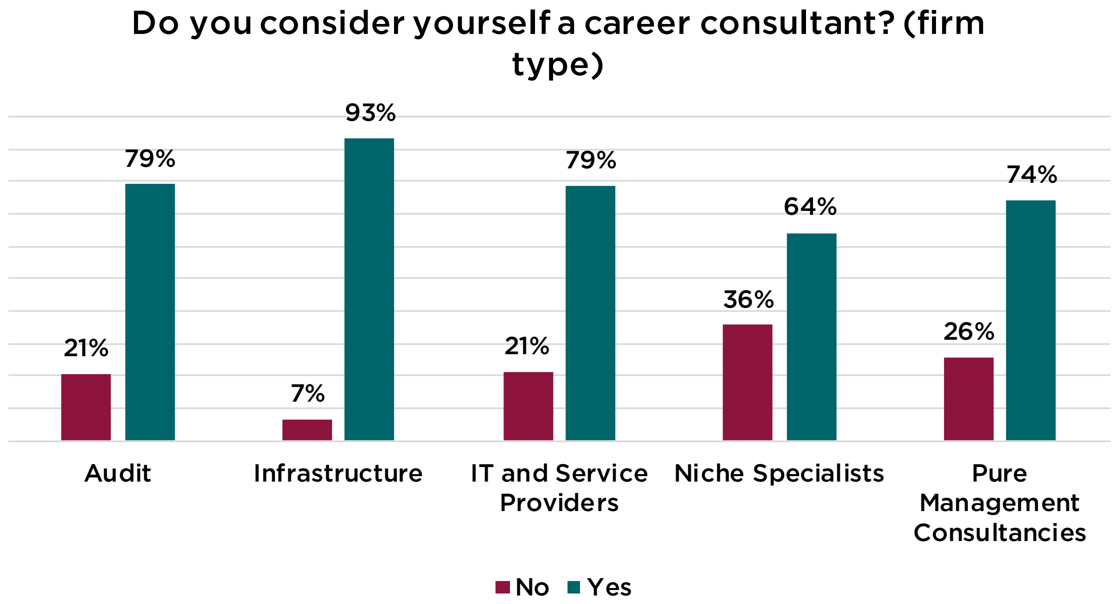


Figure 15



That larger firms have slightly higher proportions of self-identified 'career' consultants than their smaller counterparts (figure 14) is probably a function of their larger graduate programmes. They have recruited large numbers of people who have never known another career. The differential picture in figure 15 broadly reflects this. Audit firms have slightly higher than trend self-identification as career consultants, consistent with their position as, for the most part, larger organisations. So too do IT/service provider firms. This is a little more surprising, given the frequently fluid nature of these sorts of organisations, where IT advisory divisions are often vulnerable to reorganisations by client or sector. Nevertheless, it is gratifying to see that in that context the relatively mature notion of an IT consultant/adviser is also a vocational one. Pure management consultants, who are often very reliant on sector-specific hires, have slightly lower than trend results. This downward tendency is unsurprisingly extended in the case of niche specialists, where the interpenetration of consulting advisers and their specialist markets is likely to be intensified. A consultant in digital marketing may have a previous career as a digital marketing specialist and may expect to return to that career in the future.

The surprising result is the overwhelming proportion self-identifying as career consultants in the infrastructure firms. We cannot account for this outcome, save to speculate that the interpenetration between the advisory and delivery functions in those firms is less extensive than we might have speculated, implying wholly separate sources for consultant recruitment. However, the result may simply be a function of the presenting sample. We will monitor it in future iterations of the survey.

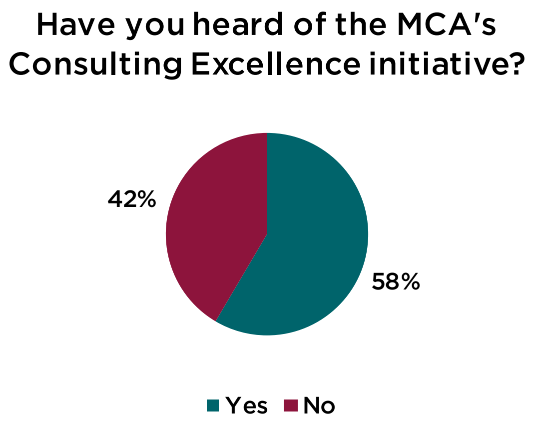
These results are not offered judgementally. Interpenetration between consulting and the sectors it serves in the competition for and distribution of talent is probably an inevitable consequence of the nature of our profession. We do not know whether there is an 'ideal' percentage of career consultants in our industry. We will however be able to monitor the rise and fall of this figure over time. Nevertheless, it is noteworthy that in workshop sessions during the Young Consultant survey, some participants indicated that acquiring consulting skills was an attraction to the profession owing to their portability to other sectors in which, as one wag suggested, there were plenty of 'real jobs'.

MCA members looking to raise the standing of consulting as a great profession can draw some heart from these results, while also recognising that there may still be work to be done.

FINDINGS: CONSULTING EXCELLENCE GENERAL

We asked respondents whether they had heard of the *Consulting Excellence* initiative.

Figure 16



Given the comparatively recent launch of the initiative, the headline result in Figure 16 is reasonably gratifying. It is however a very important piece of baselining. In future years, MCA member firms and the officers of the Association should be looking to achieve upwards of 85% recognition.

There are interesting differential results, which give us a sense of the challenges we will face in achieving that goal.

Figure 17

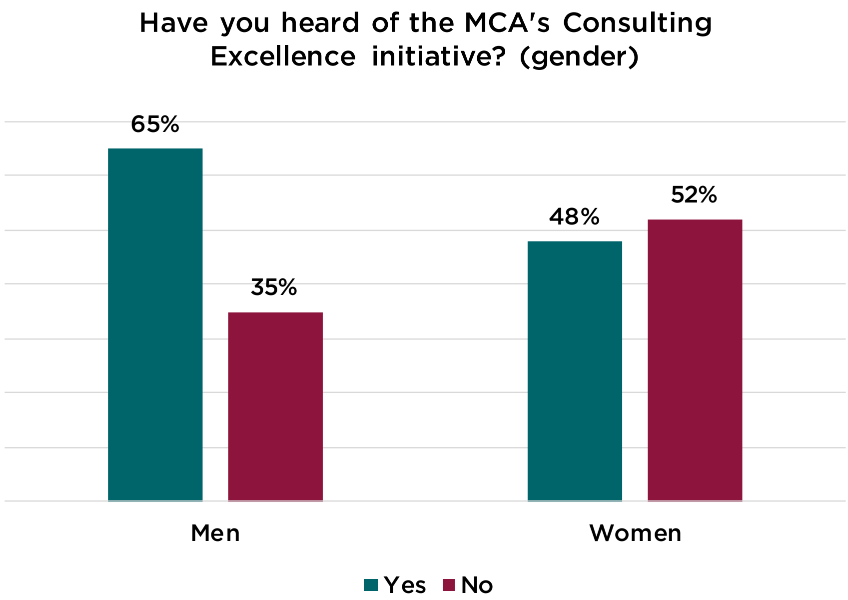


Figure 18

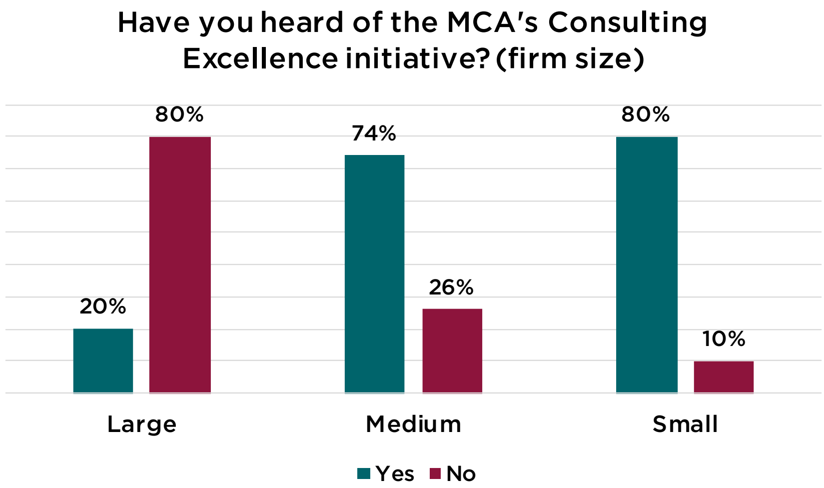
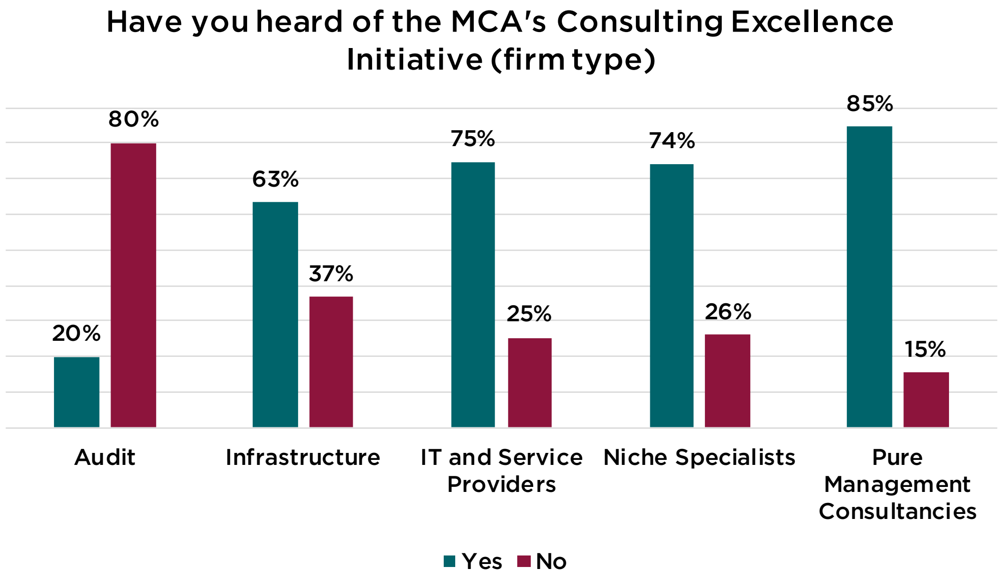


Figure 19



It is plain that even among the respondents, rather fewer female consultants have heard of the initiative than males (figure 17). As an industry, we need to examine the diversity of representation across our various officers and networks. There is also a more immediately understood issue about the reach of Consulting Excellence across the larger firms (figure 18). With greater and more dispersed populations to reach, they obviously face significant communication challenges. Again, the example of the larger firm that achieved such high returns on the survey is salutary, implying that such communication can be achieved, especially with focus, senior sponsorship, and where the activity is linked to wider initiatives. The firm type breakdowns in figure 19 bear out the communications challenges of the larger firms. Audit firms mirror large firms precisely, for obvious reasons. Pure management consulting firms have the highest levels of awareness, while infrastructure firms have significantly less.

This is an area where individual firms will find the firm-specific read out of their results instructive. So too is the following question, specifically concerned with the promotion of the initiative.

Figure 20

Figure 21

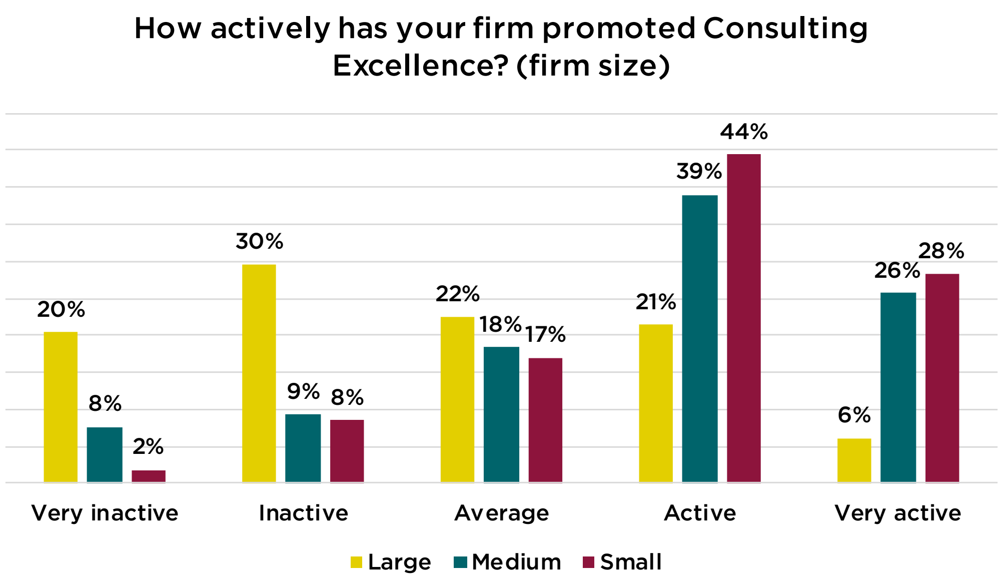
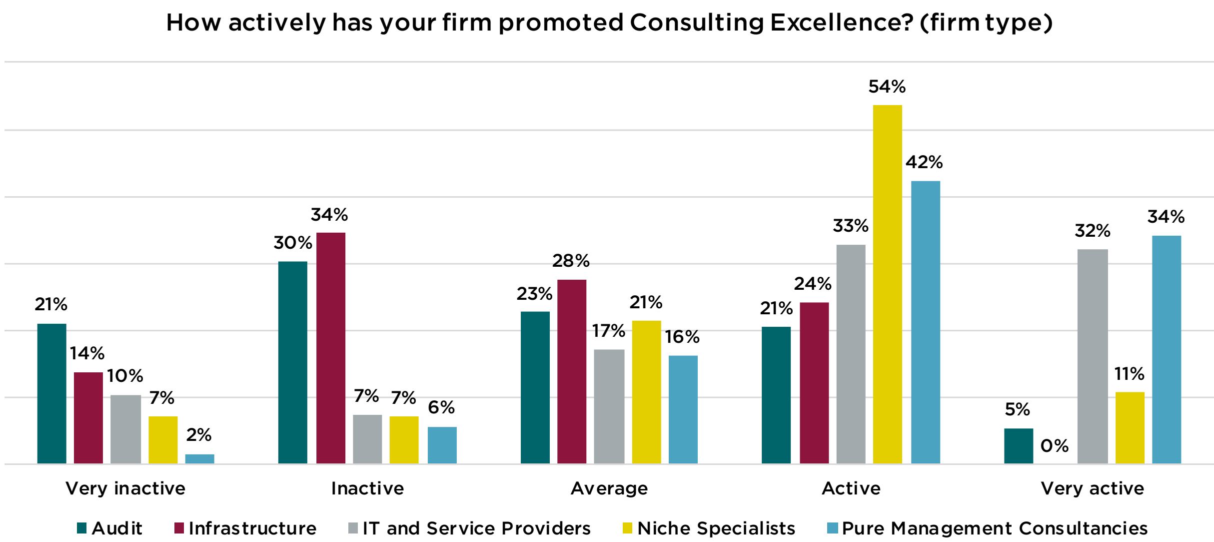


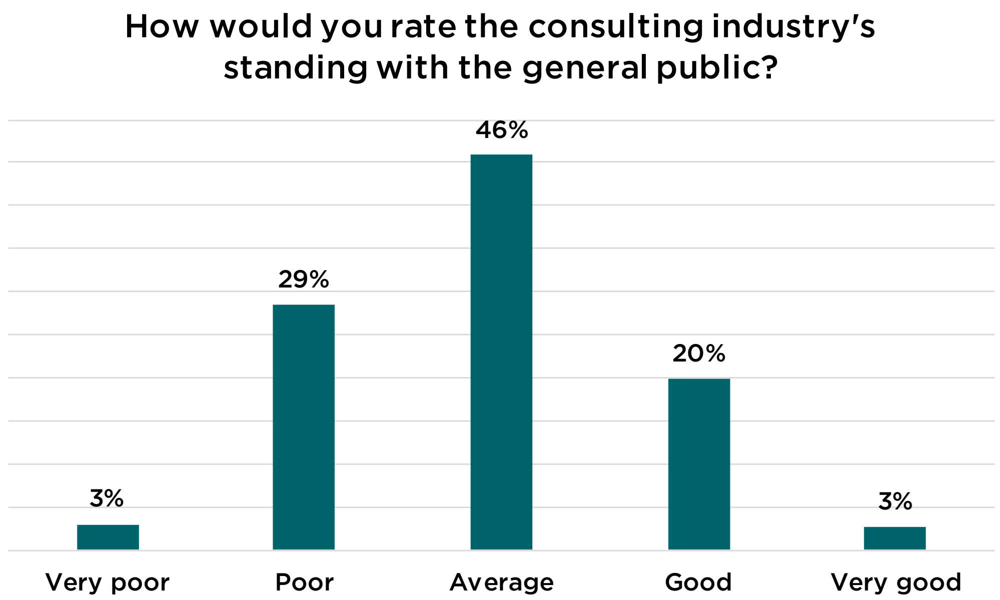
Figure 22



While 55% of respondents indicate that the initiative has been actively or very actively promoted to staff, a quarter suggest the opposite (figure 20). Consistent with other findings, respondents indicate that larger firms rated worse for promotion of the initiative than smaller ones (figure 21). Audit and infrastructure firms were rated poorly, while pure consulting firms, niche specialists and IT/Service firms rated much more positively (figure 22).

We then asked a series of questions of respondents about the industry's standing with the general public, the industry's standing with clients, the standing of their firm with the general public and the standing of their firm with clients.

Figure 23



The gravitation of the largest share of respondents in figure 23 towards the mean position is relatively unusual in the survey. But the 'break' from the mean is unmistakeably towards the negative. Distributions across firm size, as figure 24 shows, are broadly similar, with respondents from smaller firms having a moderately less acute apprehension of reputational difficulty.

Figure 24

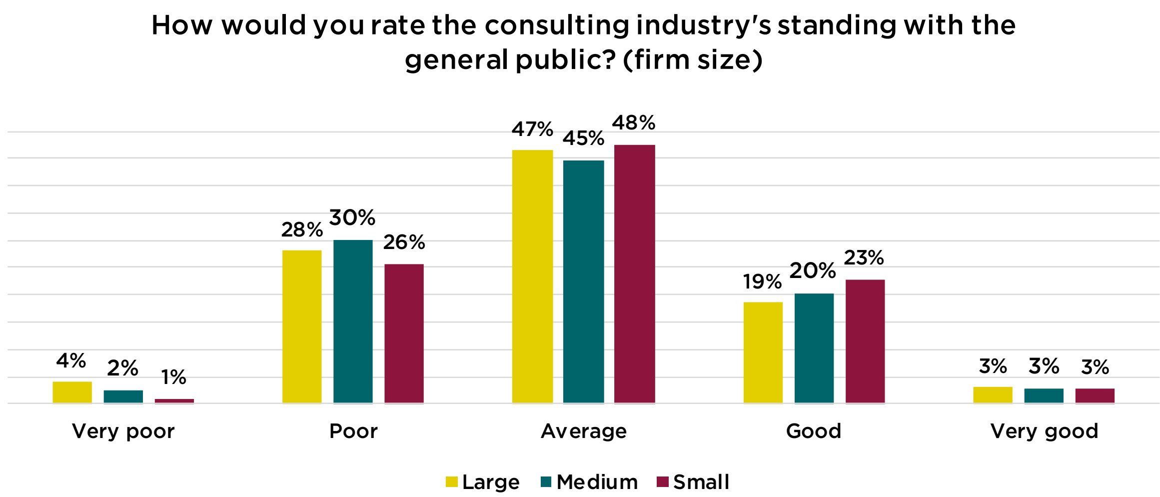


Figure 25

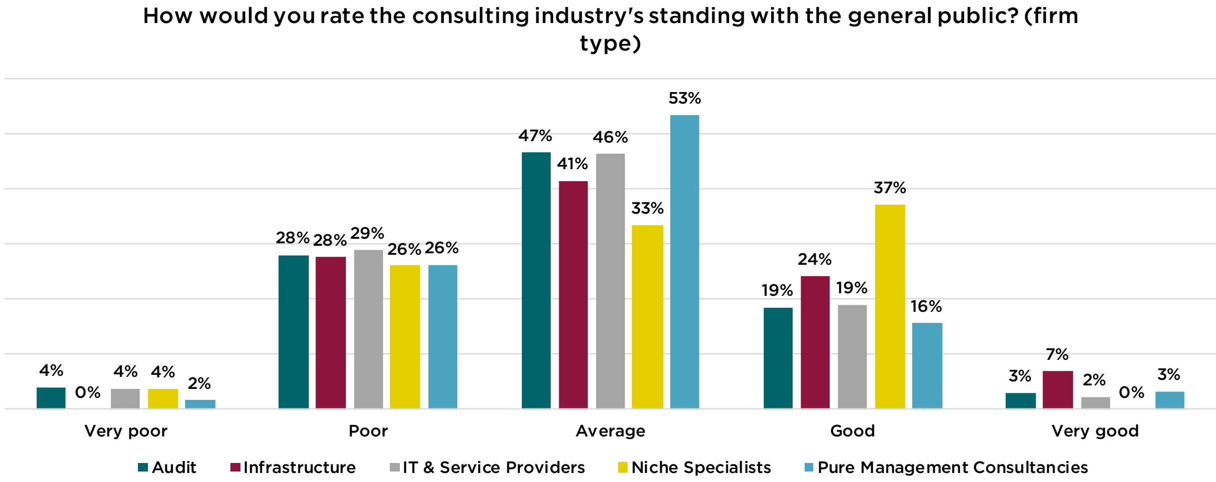


Figure 25 seems to reveal that consultants in audit firms, who (as the Big Four especially) have very significant media exposure, and IT/service providers, again with significant media issues (especially in relation to the public sector) have a slightly more acute sense of a reputational challenge for consulting than those in other categories. (However responses to later questions qualify this markedly.) Respondents from niche providers and infrastructure firms are more likely to have a positive sense of the public perception of the industry. This may relate to the types of projects they are involved in. However, it should be noted that even their responses are broadly on trend. Niche providers are marginally more sharply divided as a cohort, with a lower 'average' rating. Apprehension of a reputational challenge for the industry, and thus for the Association, seems to be realistic and widespread.

Significantly, the perception of consulting's reputation is more positive among more junior consultants.

Figure 26

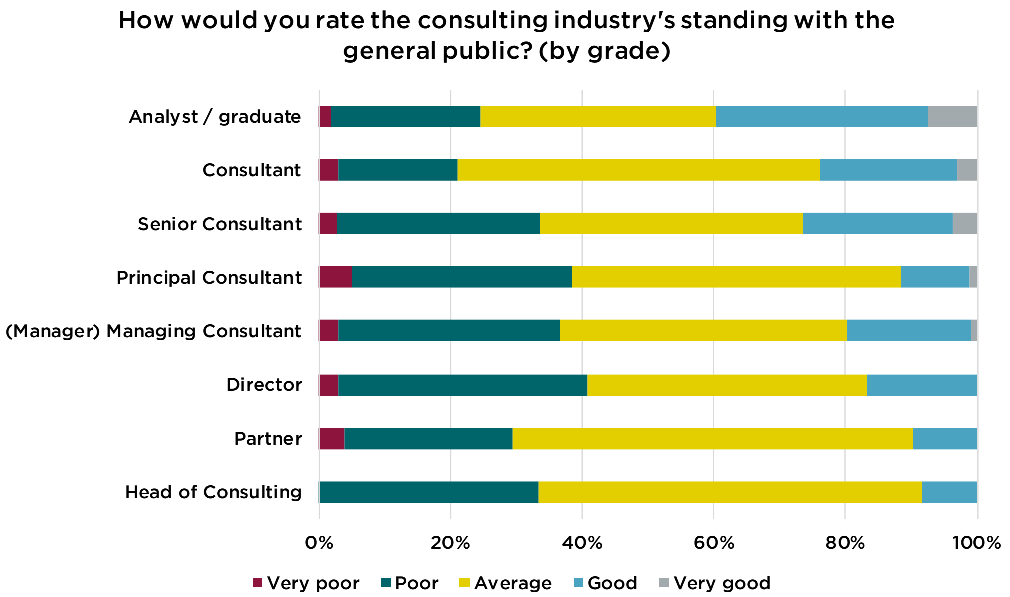


Figure 26 evinces some upbeat perceptions of the industry's standing among junior consultants. There are many reasons for this. Plainly, recent recruitment drives have accented important and central consulting positives and have attracted some committed individuals. From about principal consultant grade onwards, awareness of reputational challenges seems to grow. This is possibly born of greater exposure to issues on projects or a widening acquaintance with the industry's challenges overall.

Figure 27

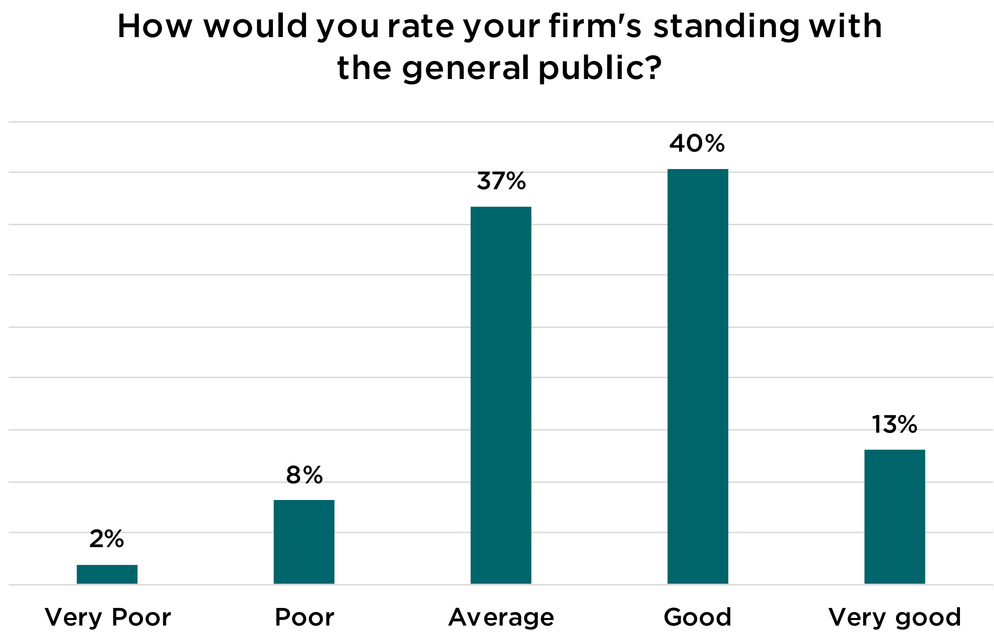


Figure 28

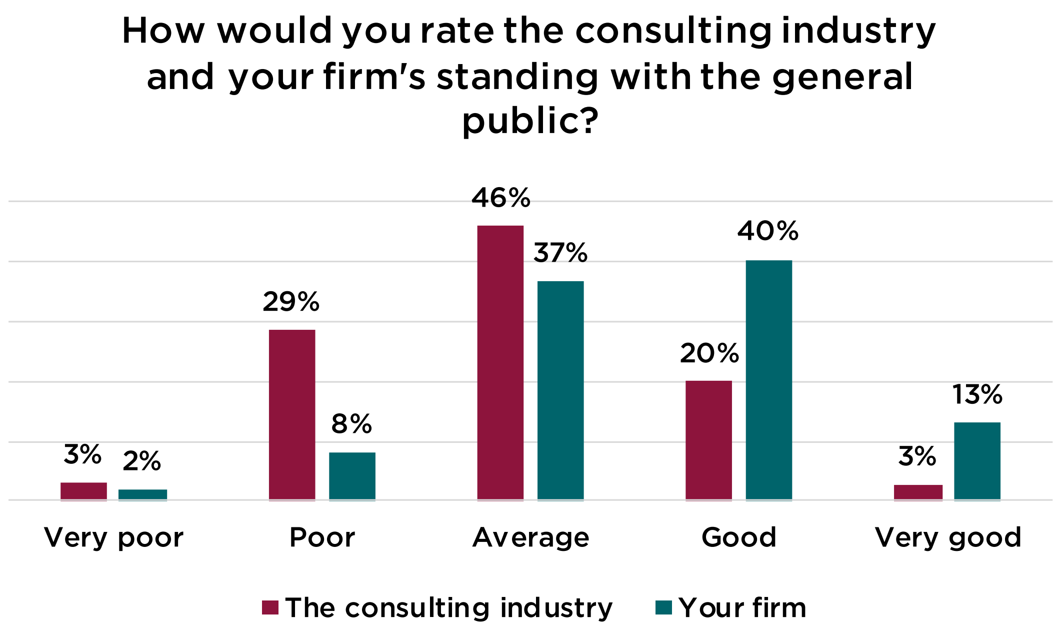


Figure 29

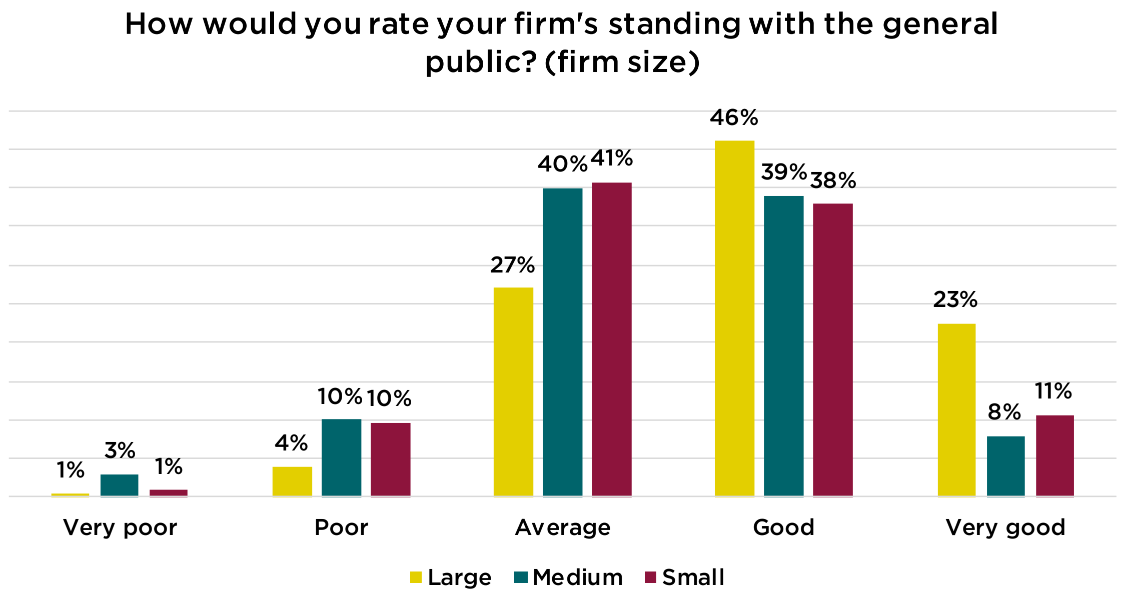
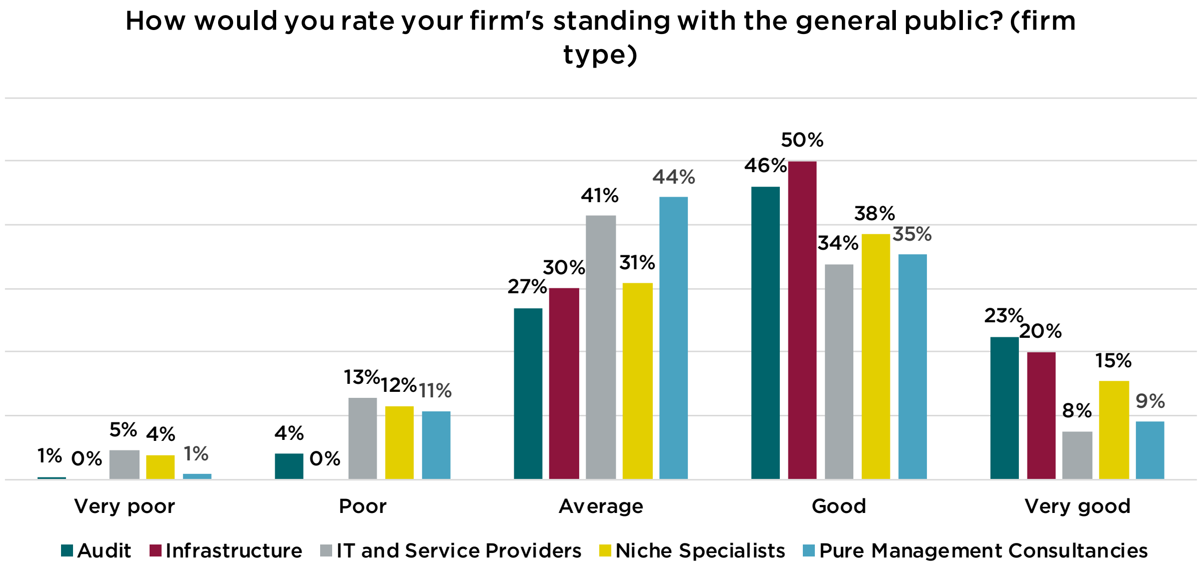


Figure 30



As figure 27 reveals, respondents were notably more positive about the reputation of their own firm than about the position of the industry in general. This comparative positivity is summarised in figure 28. This, surprisingly given earlier responses, was especially true of large firms (figure 29) 69% of whom rate the public reputation of their firm as good or very good, mirrored in the percentages for audit firms in figure 30. Infrastructure firms also perform particularly well, with 70% rating their firm's reputation as good or very good. However, it should be noted that some of the lower responses by niche and pure management consulting firms (and even some of the IT/service companies) are probably attributable to the fact that in the view of respondents the firm might have no profile whatsoever with the general public.

Nevertheless, overall there is a mild cognitive dissonance here. That the reputational challenges facing consulting are acknowledged, but are to some degree ascribed to others, at least in part, is not unusual in surveys. But it presents a challenge to the Association. Failings in consulting projects receive disproportionate attention in the media. The many successes receive comparatively little. Commentators tend to derive from the failings of one firm a general conclusion: all management consulting is wasteful and bad. They will even do this when the failings in question were not those of consultants.

Whenever one firm is lambasted in the press, our whole industry is exposed. When this happens in the case of a public sector contract, consultants working solely in the private sector should not delude themselves that they are unaffected. Hence, the sense in these findings that consultants view reputational problems as deriving from other firms, is instructive. All MCA firms are committed to the highest standards of ethics, client service and value, and professional development. The reputational issues facing one firm, sometimes simply a function of the volume of activity they are engaged in and the media's interest in negatives, challenge all firms. 'Them and us' dynamics are inimical to the pursuit of the inter-firm partnering that characterises the modern 'eco-system' approach to service delivery.

There are further (albeit less marked) distinctions within the responses between consulting's reputational challenges in general and the reality of a great industry of individual firms providing value. Respondents were asked to rate the standing of the consulting industry with clients.

Figure 31

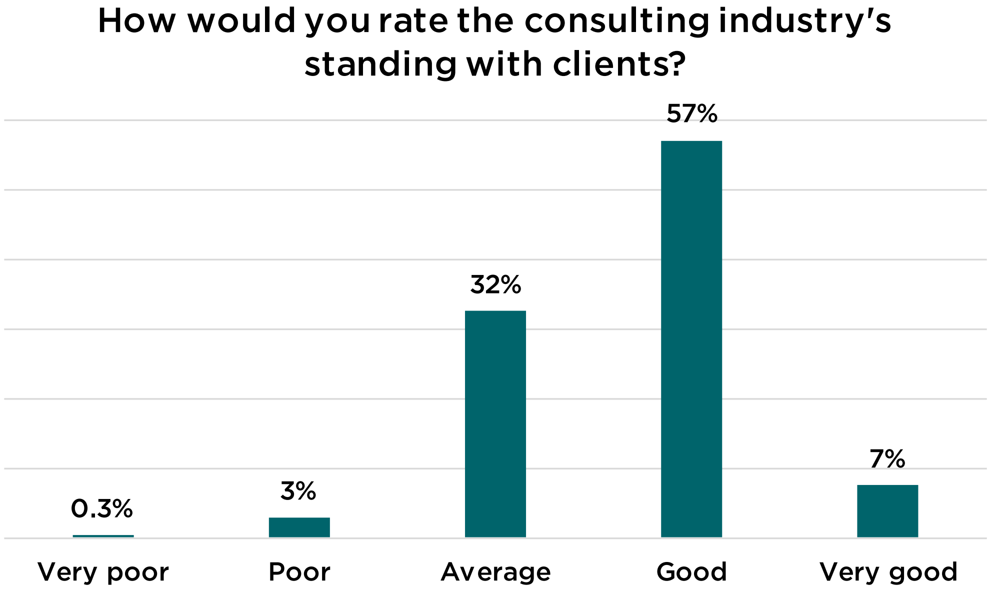


Figure 32

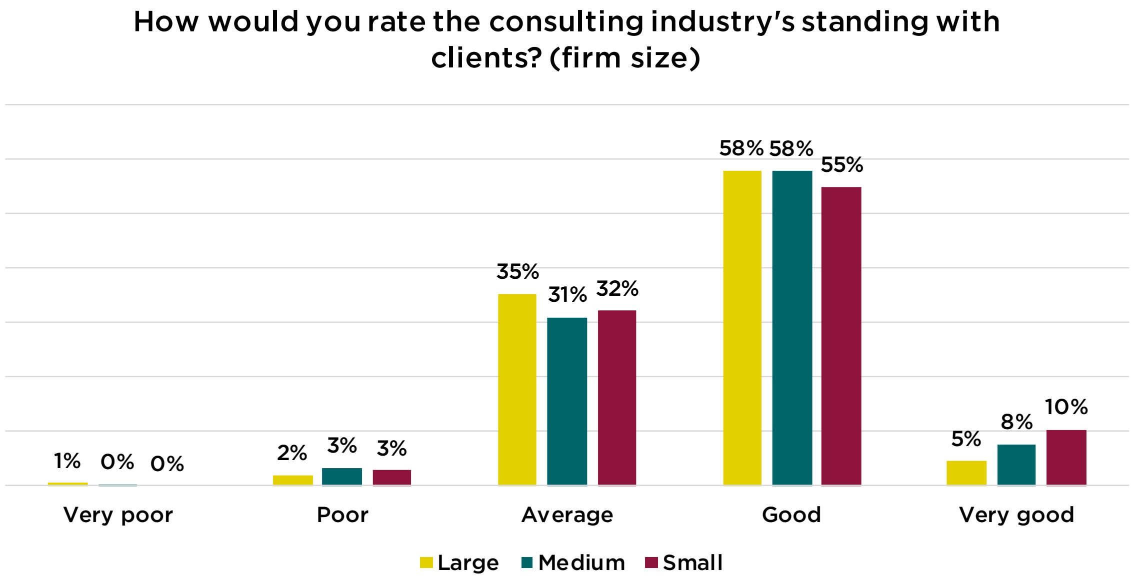


Figure 33

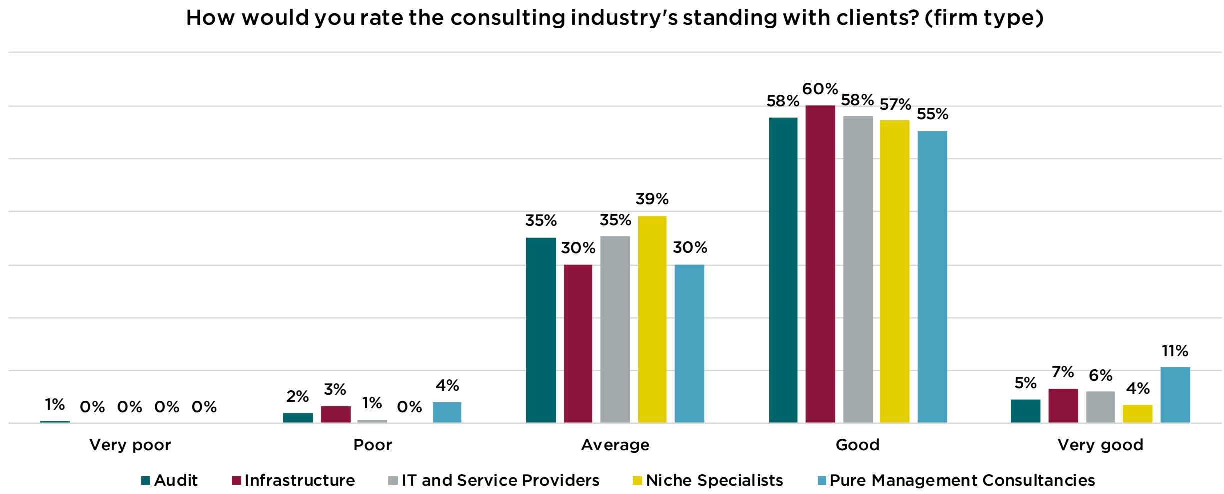


Figure 34

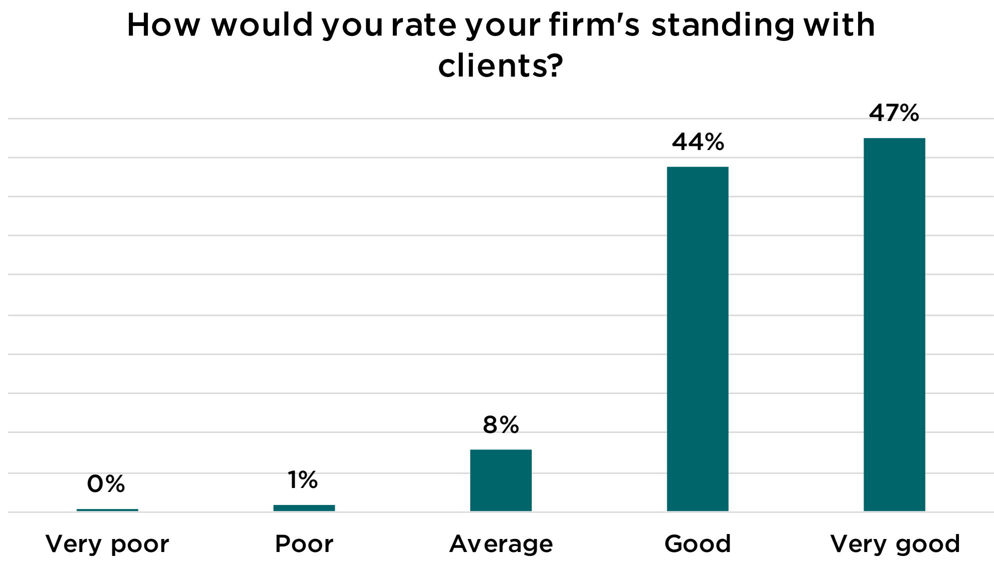


Figure 35

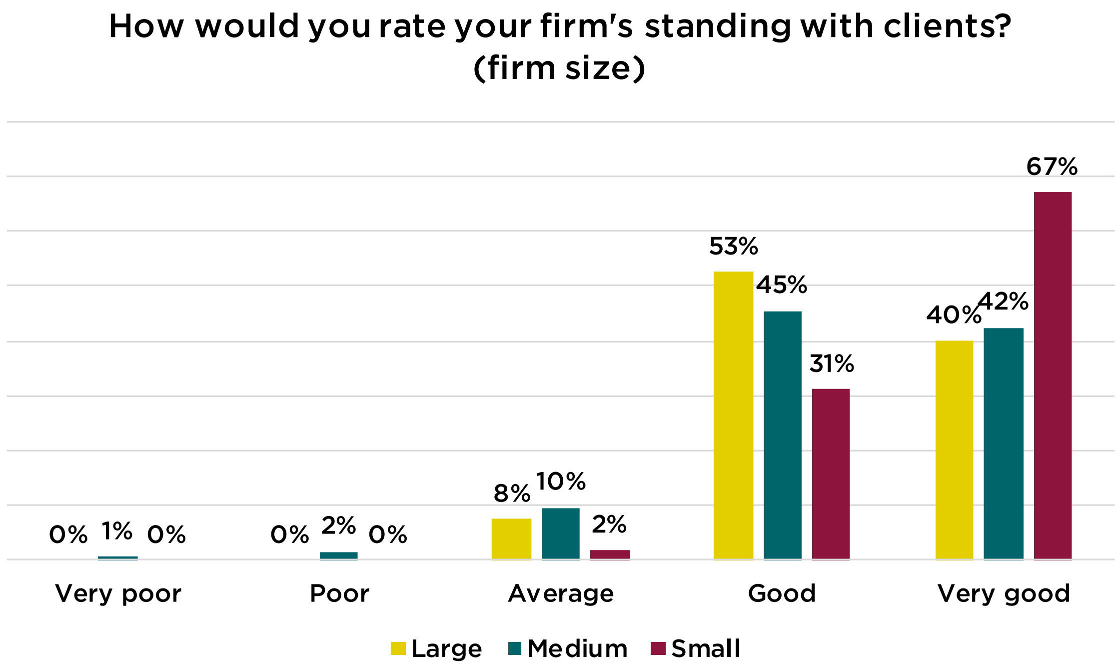
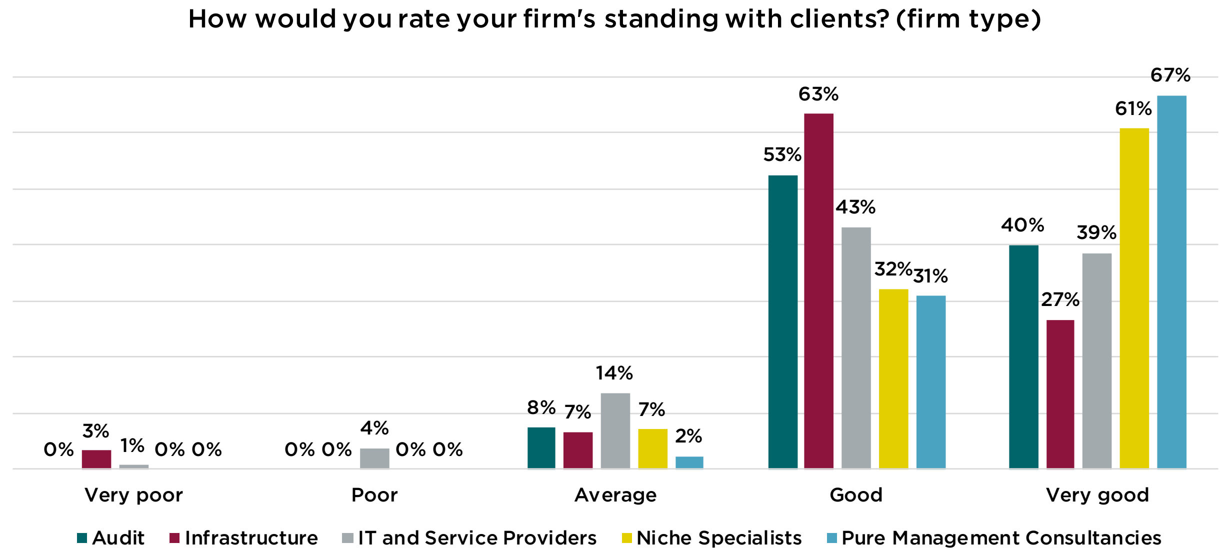


Figure 36



Figures 31-36 convey a general sense of an industry whose employees believe that clients are satisfied with it. Respondents again tend to rate their own firm more highly, with employees of small and pure management consulting firms especially convinced clients hold them in high regard. But both the broad industry perception and the individual firm perception are substantially positive.

It will be interesting to compare these results with the client survey later this year. Nevertheless, discrepancies between the industry's public and media image on the one hand, and the reality of what is achieved by consultants for clients on the other, is an ongoing issue. The Association will continue to promote the value of consulting interventions on members' behalf.

FINDINGS: CONSULTING EXCELLENCE PILLAR ONE: ETHICAL BEHAVIOUR

We asked respondents to rate their firm in terms of its commitment to pillar one of Consulting Excellence, ethical behaviour. We then asked them to let us know what particularly distinguished their firm in this area and what additional steps they would wish their firms to take to improve their commitment. Throughout this and the following sections, where respondents opted to provide personal responses under the heading 'Other' we have recorded all of them in table form, summarising multiple responses wherever possible.

Figure 37

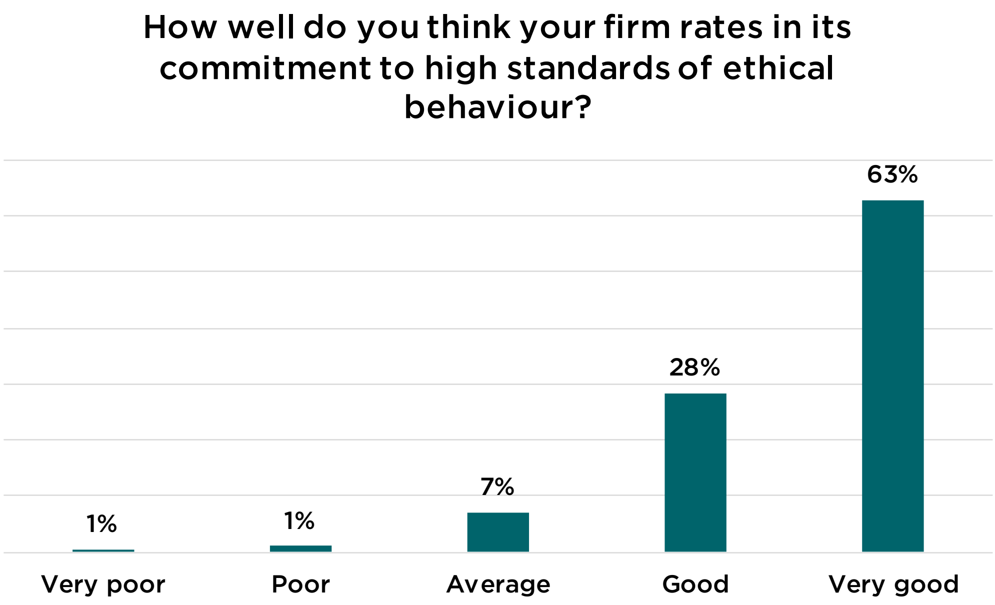


Figure 38

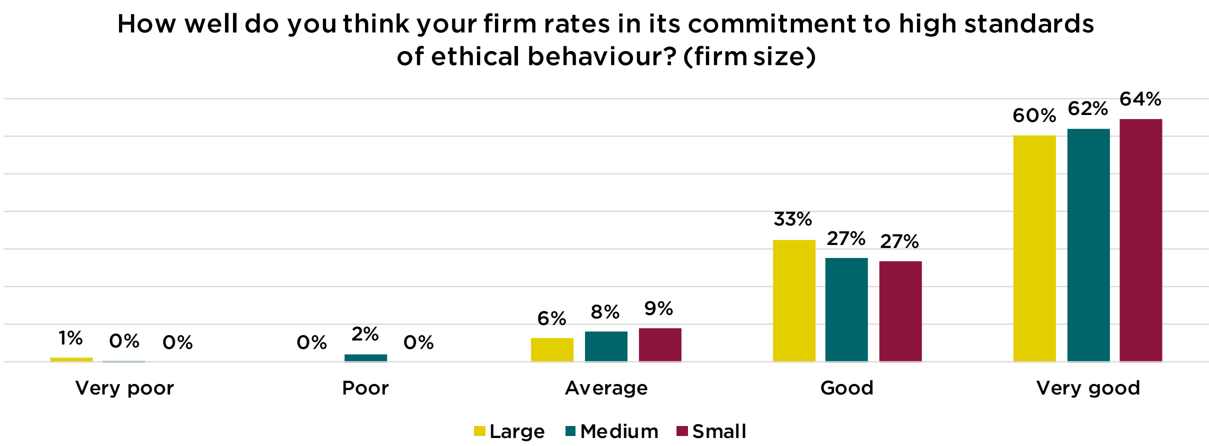


Figure 39

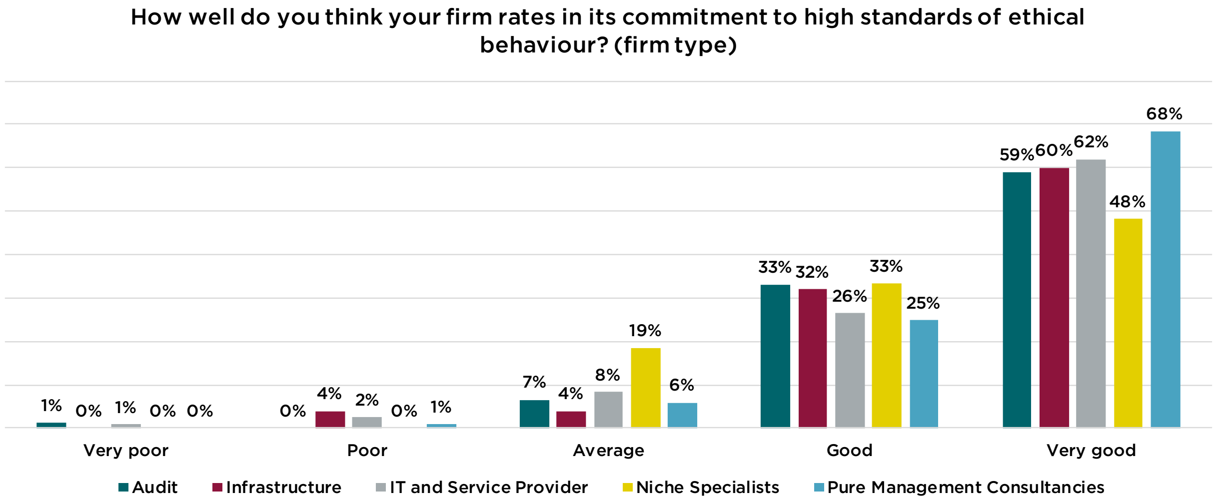
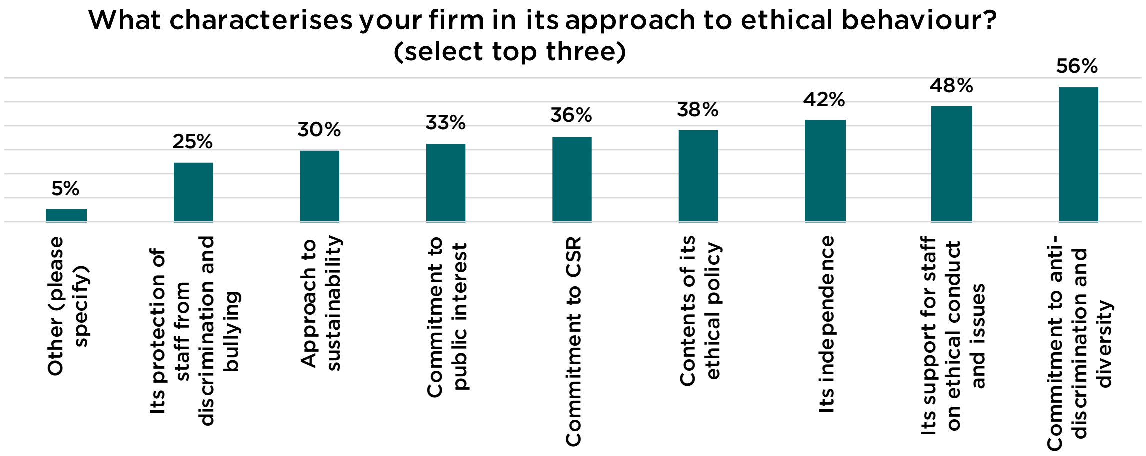


Figure 37 shows that 91% of respondents rate their firm's ethical commitment as good or very good. The firm size charts in figure 38 are broadly comparable. Across firm type, there is again an accent on the positive, with more respondents from pure management consulting firms rating their firm's ethical commitment as very good (68%) than respondents from any other category, with niche firms giving a lower combined good/very good response rate (81%) than the trend figure.

Figure 40



Other (Figure 40A)

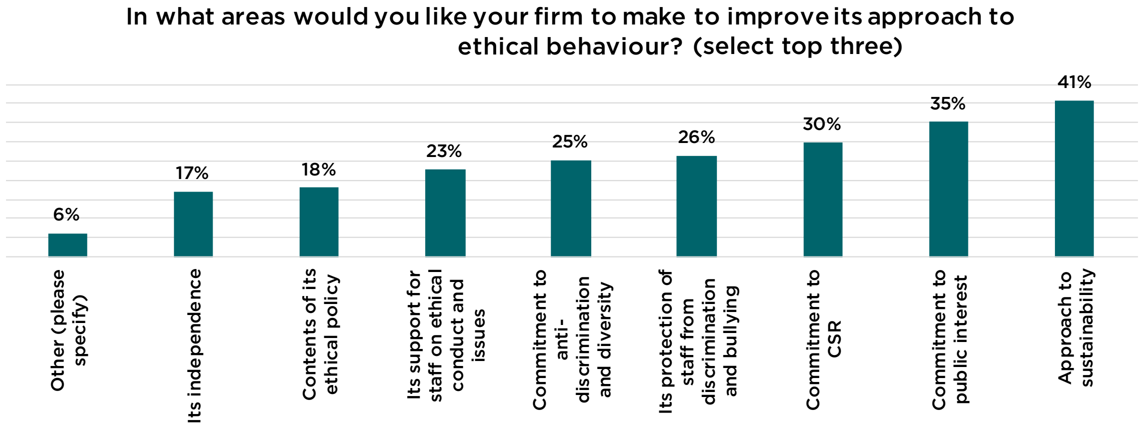
- Always working in the best interests of our clients **(multiple)**
- Inherent to culture of firm **(multiple)**
- Only selling a product the client will truly benefit from **(multiple)**
- Commitment to ensure that all staff sign up to the company's beliefs through annual training and sign-up to the 'spirit and the letter' - our commitment to ethical and responsible practice
- No real grades, drives an open organisation.
- Our commercial approach
- Our own newly created Brand Pillars.
- Doing the right things for you and your client
- Ensure the right mindset & behaviours are recruited without exception. Empowered to always do the "right thing"
- Genuine focus on making a positive difference to our clients and to healthcare
- Its commitment to making a real difference to the public sector - not just its bottom line Great communication between partners and staff enables clarity and transparency
- Its general open-minded approach towards clients / recruits and current staff
- The fact that we focus on delivering value, regardless of profits
- Transparency regarding potential conflicts of interest
- Values
- We genuinely want to have an impact
- We have mandatory training, and in addition routinely have 'all hands days' that raise awareness and subsequently look to address any ethical issues that arise.
- Literature in place but not the culture
- Promoting the company's core values and behaviours

When asked to characterise their firm's approach to ethical behaviour (figure 40), respondents noted especially the support for consultants on ethical matters and the firm's commitment to anti-discriminatory policies. The former is very gratifying given the current government focus on ethical business. The financial crisis tarnished businesses' ethical reputation, which has not fully recovered. That many voters ignored the warnings of the CBI and others, including the MCA, on the consequences of Brexit is cited as evidence of poor levels of public trust towards business. Consulting is clearly taking action here.

Among the Other responses listed (figure 40A), there were multiple suggestions highlighting the importance of client outcomes, only selling to clients services from which they would benefit, and the embeddedness of ethical behaviour within the firm's culture. Individual respondents noticed that the primacy placed on outcomes extended to the sector in which the client operated. They thus suggested, especially in relation to public services, a wider cultural motivation on the part of the firm to do good. One respondent suggested that this intent would be at the expense of financial considerations.

The one jarring Other response to this question concerned the need for the respondent's firm to move from the written procedure to the living culture. This more properly belongs in the next question. However, it is cautionary. As we deepen member firms' commitments to *Consulting Excellence*, it is important we continue to emphasise concrete evidence of ethical behaviour, deep cultural and behavioural commitments that make real-world differences. We must – and will strive to – avoid making this merely a paper exercise.

Figure 41



Other (Figure 41A)

- We're already doing very well on diversity **(multiple)**
- Diversity representation in senior leadership. Great representation at consultant level
- Whilst it is already doing so, further increase its level of diversity (e.g.; women, different backgrounds, people with health challenges and older generation workers)
- More obvious showcasing of good role models who have faced ethical dilemmas and did the right thing.
- Promote awareness more
- Promoting the value of our own ethical behaviour to our clients
- Promotion of policy to employees
- Better support for staff on general wellbeing, work life balance and managing stress
- Corporate tax treatment.
- Whistle blowing
- Shifting from 'Diversity' to 'Inclusivity'
- Taking more of a public position on issues
- Actually doing it rather than talking about it
- Ethical criteria for supply chain partners
- Greater consideration of Client commitment to CSR when choosing whom we work with Firm's approach to ethical behaviour is already paramount.
- Supporting the MCA and other organisations to ensure that consultancy focuses more on implementation and impact.

Figure 41 shows a pretty even response rate against the options provided. There was a marginally higher response rate for firms creating an approach to sustainability, and notable responses around public interest and CSR. These are suggested *Consulting Excellence* exemplars in this category, so firms may wish to respond to these exhortations.

The range of responses under Other were interesting. There was a significant plurality of respondents who really thought their firms were already doing a lot in this area, which is gratifying. Nevertheless, some individual responses are challenging. Diversifying representation in the senior leadership teams of firms is an important theme for the Year of Diversity, as is the issue of moving from statistical diversity towards cultural inclusion. Showcasing good ethical citizens within firms and more generally promoting ethical policies were also identified as improving initiatives. Member firms should consider how they respond to these structural challenges and positive practical suggestions.

FINDINGS: CONSULTING EXCELLENCE PILLAR TWO: CLIENT SERVICE AND VALUE

We asked respondents to rate their firm in terms of commitment to pillar two of Consulting Excellence, client service and value. We then asked them to let us know what particularly distinguished their firm in this area and what additional steps they would wish their firms to take to improve commitment.

Figure 42

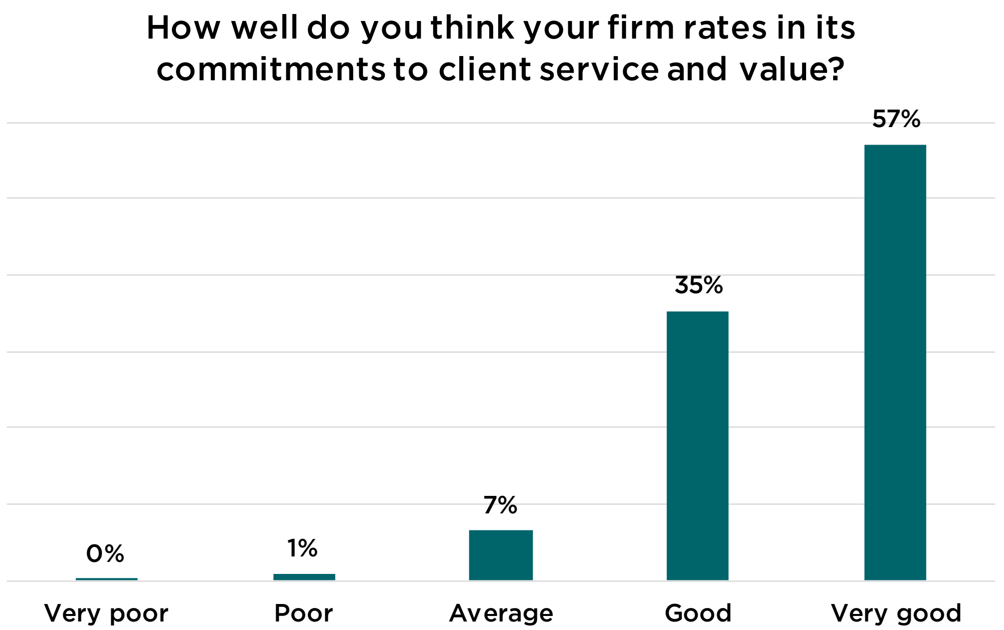


Figure 43

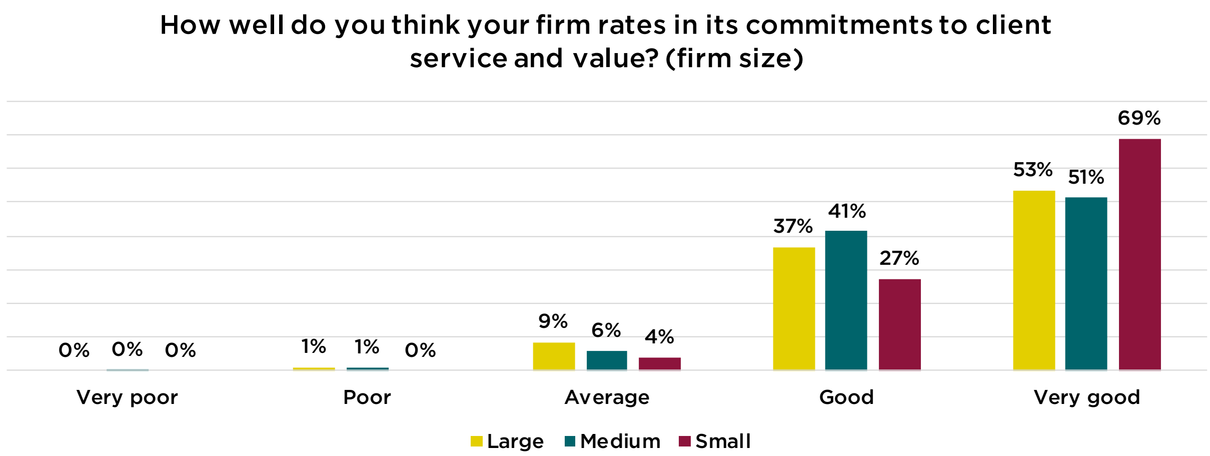
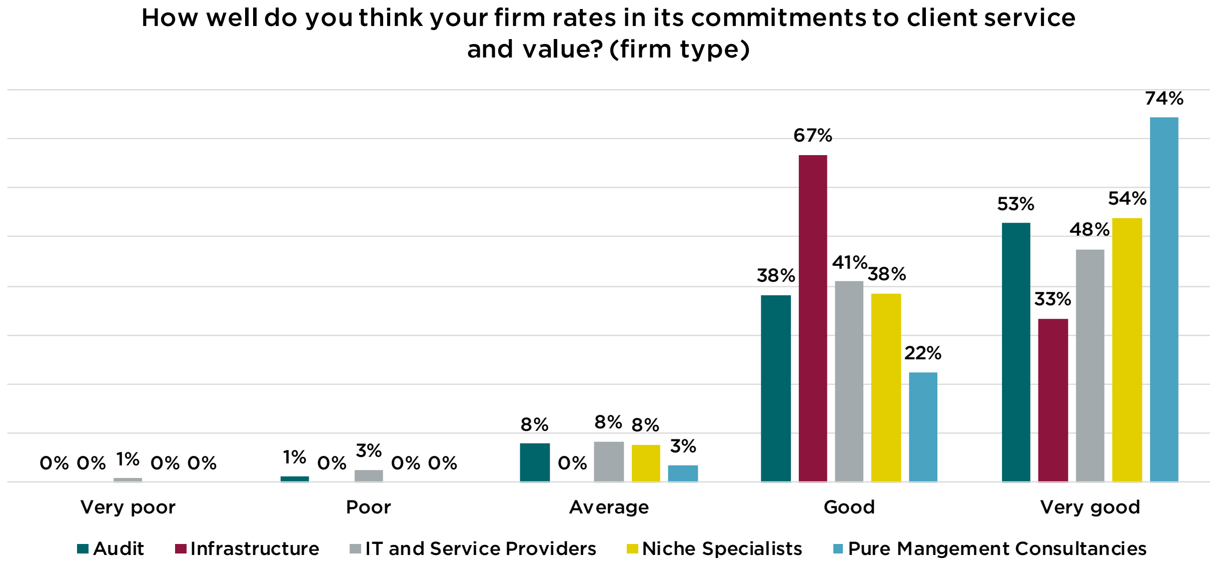
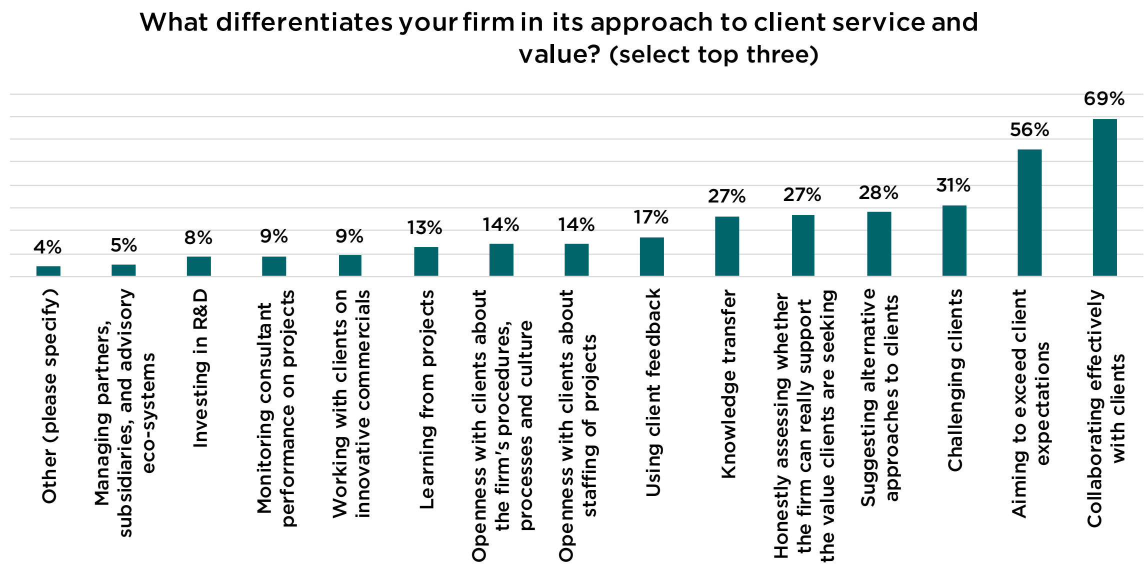


Figure 44



92% of respondents think their firm is good or very good at providing value in this area (figure 42). This finding will be interesting to compare with our forthcoming client survey. Respondents from smaller firms are marginally more positive about the performance of their firm in delivering client service and value (figure 43), while an especially high percentage of respondents from pure management consulting firms regard their firm as very good in this area (74%) and 100% of infrastructure respondents regard their firm as good or very good (figure 44).

Figure 45



Other (Figure 45A)

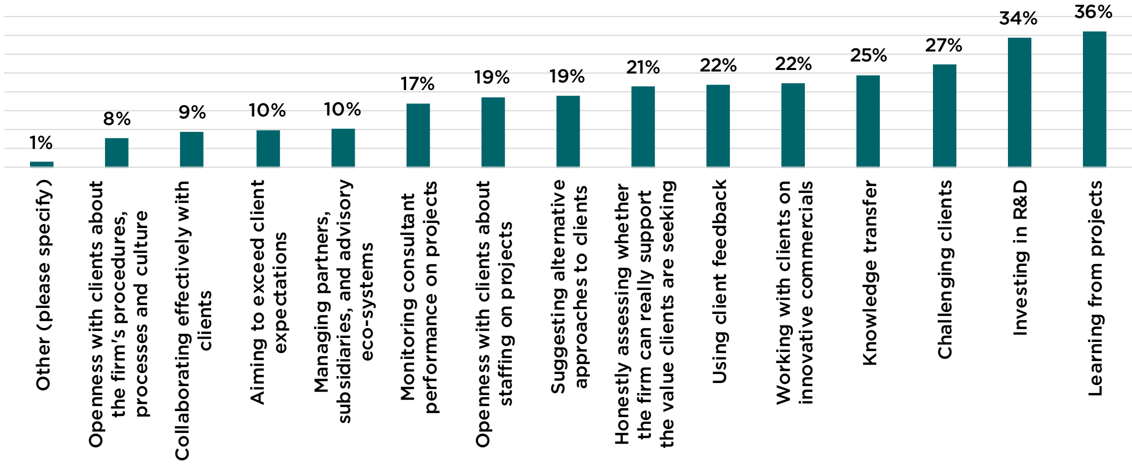
- Use of technology and digital **(multiple)**
- Ability to develop long term relationships and deals **(multiple)**
- Ability to draw upon the expertise and experience of other firm consultants and the wider business
- Ability to read changes in reality and quickly make the necessary adjustments
- Absolute focus on effectiveness and their customer
- Assisting clients to understand their actual developmental needs
- Fact based approach
- Building the ecosystem of SMEs
- Certainty of outcome
- Collaborating with other areas of our firm to provide high quality client experience e.g. tax advice, real estate etc.
- Combining asset experts with business relevance
- Commitment to embedding value before moving on
- Doing the grunt work and the "hard stuff" alongside clients as equal team members.
- Ensuring delivery of real change with tangible benefit
- Industry experts provided
- Personal approach
- Quality of the deliverables
- We guarantee delivery
- We have a very diverse set of offerings and capabilities and a large team, yet our ability to work together allows us to very rapidly bring best practice and current thinking to our clients.
- Working with our clients - not doing it to them to ensure our consultancy outputs are tangible and deliver successful outcomes

Responses in figure 45 about what distinguishes firms in their commitment to client service and value particularly accent exceeding expectations and collaboration. The latter is reflected in the Other responses, which are very varied. Some responses need to be treated with caution, since they have a slightly 'marketing' feel. The author has yet to hear from any MCA firms that do not strive to guarantee quality, commit to work hard, or say their people are the best. Nevertheless, some responses are interesting. Deployment of technology and digital are highlighted. So too is the ability to achieve long-term deals. In keeping with an environment of increasingly complex client needs, a respondent highlights leveraging capabilities from 'the wider firm'. (Many MCA members are the consulting practice of a firm that is 'famous for something else' – IT delivery, infrastructure, services.) One emphasises the evolution of their firm's supplier ecosystem. This is key theme of recent MCA reports and an emerging priority for member firms.

Indicative also of the nature of client needs and the competitive and evolving marketplace in which our members operate is the need for quality outcomes, quality deliverables and leading edge practice. However, it is worth noting that lasting, transformational outcomes are what our research to date suggests clients want. In general, all MCA firms should therefore see achieving these as synonymous with the delivery of client service and value. What will be interesting to note going forward is how far respondents point to genuinely distinctive innovations that differentiate their firms' approaches to achieving those outcomes, and the novelty of the assets and techniques they deploy to do so. This plainly connects with the next question.

Figure 46

In what area would you like to see your firm innovate to improve its client service and value? (select top three)



Other (Figure 46A)

- Easy to say you want to challenge clients but at what risk
- Ensuring staff trained up in right skills for job
- I'm very happy with my company, I think we could continue to improve our internal knowledge management which will further help our client service.
- Innovative service offerings - work is underway.
- Less jargon more value
- Making technological recommendations
- Understanding & using internal capability

In an even spread of responses to options supplied in figure 46, the emphases placed on R&D investment and on learning from projects are notable and important. In recent reports, we have noted the greater store member firms have set by research – of markets, trends, new capabilities – both to target their offers and, increasingly, as part of their offer itself. Ensuring firms are proper learning environments, where project lessons are digested and used to enhance future performance, is a recurring theme of consulting self-enhancement. It is echoed and extended in some of the Other responses, where full understanding of firms' own capacity is also accented.

FINDINGS: CONSULTING EXCELLENCE PILLAR THREE: PROFESSIONAL DEVELOPMENT

The findings in the preceding two sections are extremely interesting and important. Nevertheless, the evidence we gather from clients on pillars one and two of the Consulting Excellence scheme will have particular weight, as external observers of the former and the target of efforts on the latter. However, in the case of pillar three, professional development, consulting staff are best placed to comment on how well their firms are doing to meet the scheme's demands. These relate to more than just training. They are connected to the fundamental business of elevating the status of consulting as a major profession. They thus relate to questions of career progression and enhancing consulting's standing with the wider world, not least as a means of ensuring that in a competitive labour market our industry continues to attract the very best recruits.

For this reason, we posed more questions in this section. In setting out the relevant responses, we have subjected them to more extensive regression analyses. In relation to questions in this section we will be especially responsive to requests for additional sub-categorisation from our member firms. It is also the category in which analysis of their own read-outs by member firms, where available, will probably be most instructive.

We asked respondents to rate their firms in terms of overall professional development.

Figure 47

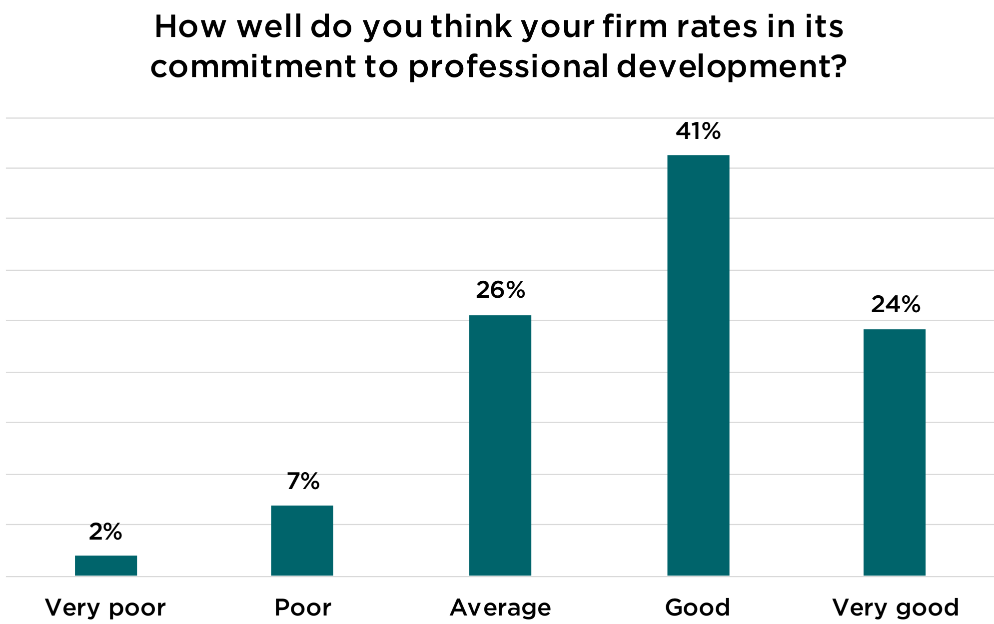


Figure 48

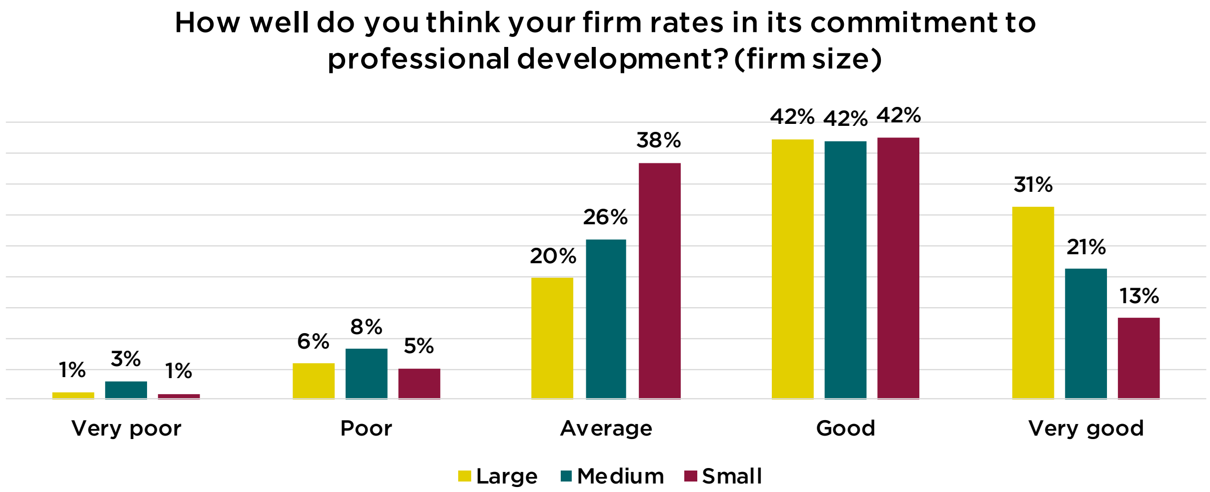
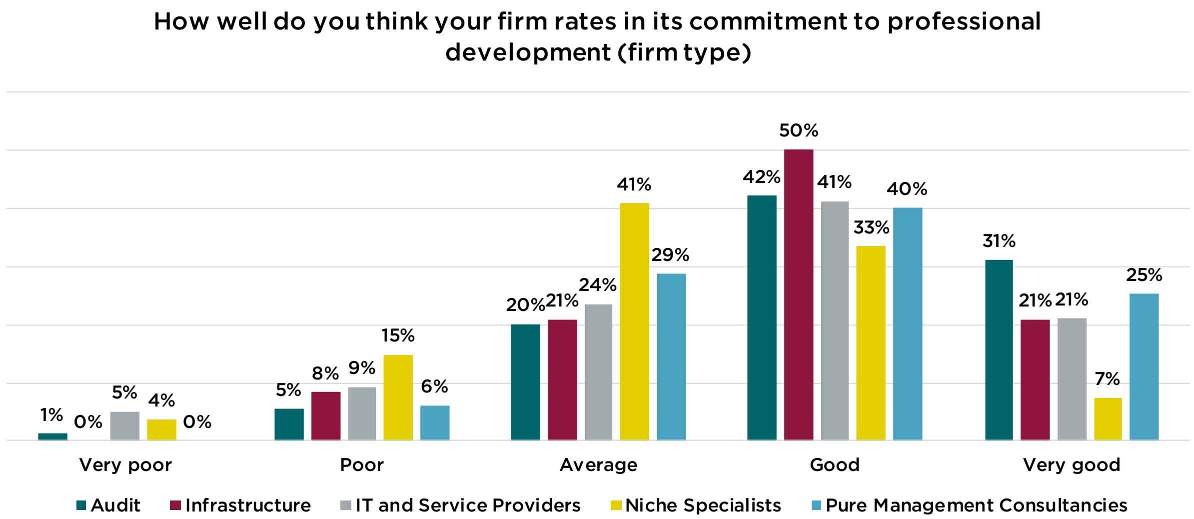
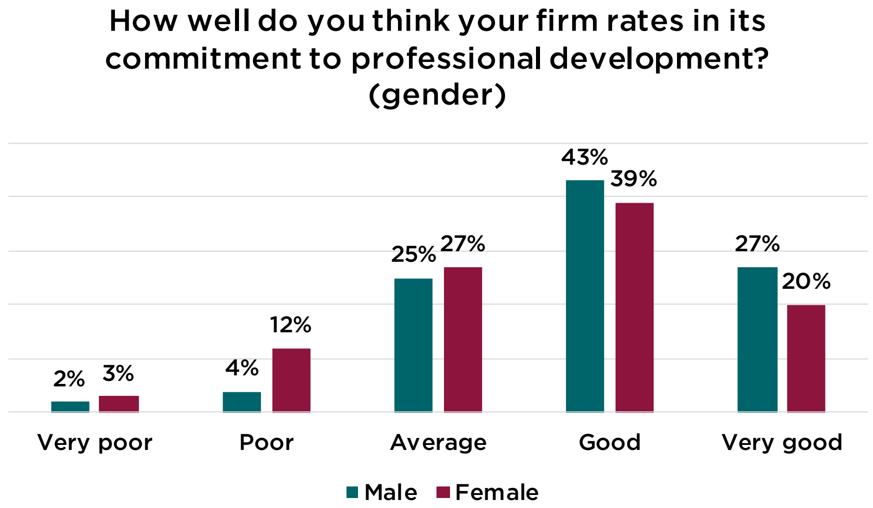


Figure 49



The overall rankings on professional development look moderately positive. In figure 47, 65% of respondents rating their firm as good or very good. It is however plain from figure 48 that, for reasons that are doubtless linked in part to training, larger firms have a moderately more positive image with their employees. In terms of firm types, audit firms score especially positively, with very positive scores for infrastructure firms (interesting in the light of subsequent responses – see below). By contrast, professional development is on trend for respondents in pure management consulting firms and less positively rated by those in niche consulting practices.

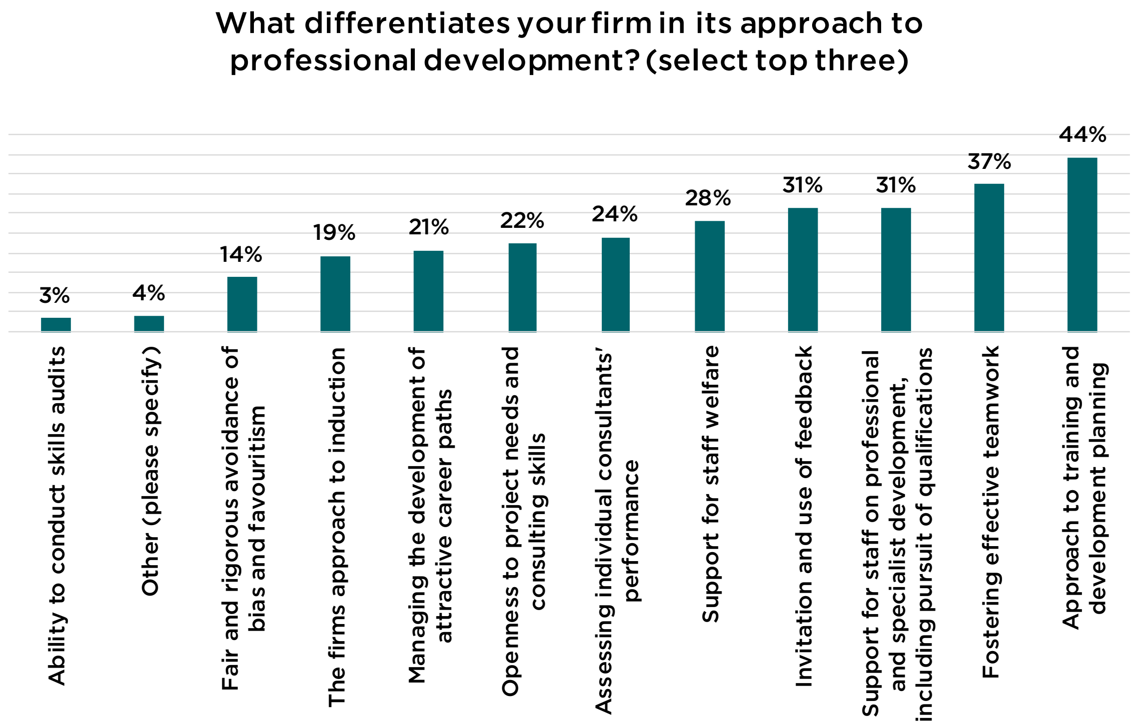
Figure 50



The gender breakdown in figure 50, however, shows significantly higher levels of disaffection with professional development among women. This mirrors some of the nuances within the findings of the Young Consultant survey. Consulting firms are recruiting significant numbers of young women. Yet they see an industry whose higher echelons are largely the preserve of men. Moreover, it may be that this result reflects the fact that in common with the rest of British industry, our profession has some way to go to be fully receptive to the flexible working and career management challenges women especially face. However, just as in the Young Consultant survey, there are nuanced messages in later responses.

We asked respondents to describe what differentiates their firms in terms of approaches to professional and development.

Figure 51



Other (Figure 51A)

- Development of the person as well as their skills.
- Flat hierarchy with open access to partners for development
- Open approach to reviews with all staff involved in roundtables Openness to learning, discussing development and performance
- 10 1/2 days a year training event for all staff
- Firm does a good job to genuinely care about its people
- The Consultant Development Programme - Focusing on excellent consulting behaviours.
- Flexibility in individuals' best training support
- Fostering an environment in which the employee has huge control over their own, and their colleagues pro dev. And offers the support to peruse that
- Induction particularly distinctive
- Its scope potential and way it treats consultants
- Our diverse career paths e.g. school leavers, industrial placement as well as traditional graduate and experienced hire
- Unique opportunities for graduates
- Our 'insights' system supports continued development by allowing all our staff to easily leave feedback and suggestions for colleagues at every level, at any point throughout the year
- Pilot of Management Consulting Chartership in partnership with MCA and CMI
- Quest & Global Shapers (programmes funded by an independent foundation which owns part of the business)
- Effective coaching
- Emotional intelligence

Among options selected by respondents, set out in figure 51, the emphases on teamwork and on a planned approach to professional development were striking. The wide range of responses in the Other category provide many examples for our industry in general to learn from. Development approaches to the ‘whole person’ not just the consultant, flat hierarchy and openness particularly stand out. The work around *Consulting Excellence* and the related Chartered Award are mentioned too, together with the need for diverse sets of career paths, as well as some firm-specific initiatives.

We asked respondents to rate their firms’ approach to training.

Figure 52

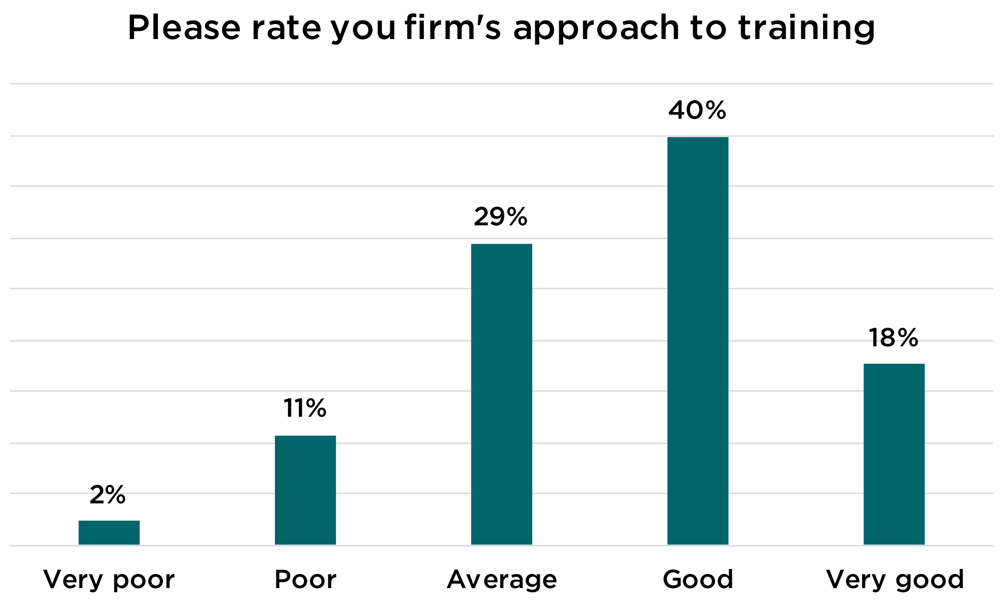


Figure 53

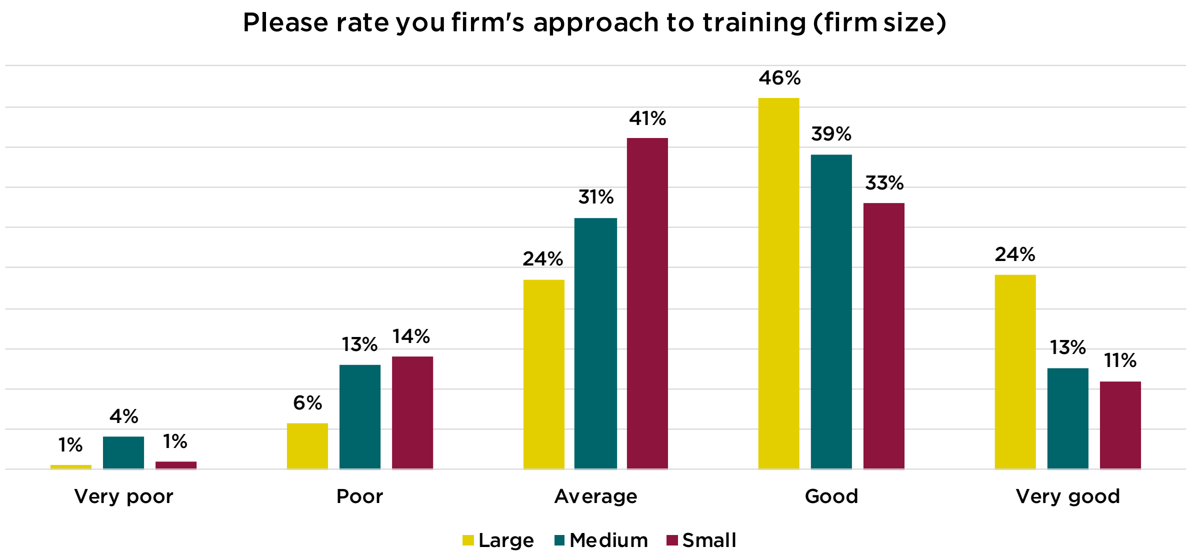


Figure 54

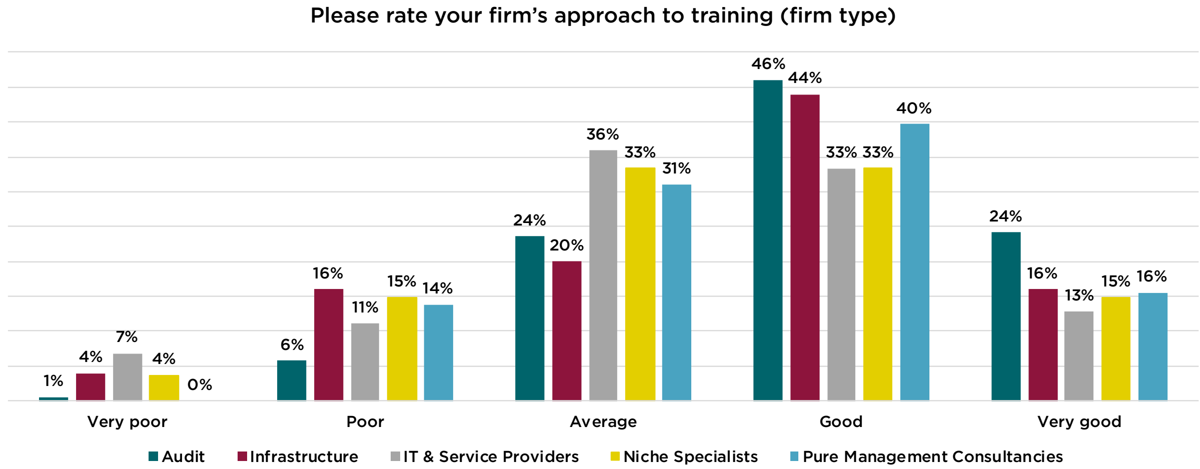
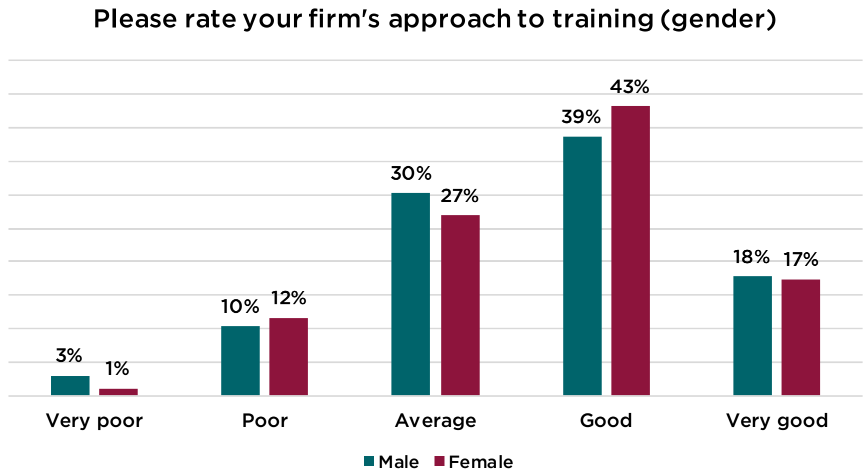


Figure 55



The overall response of 58% for training as being good or very good in figure 52 masks quite a differential story across the industry. In general, it is the larger firms that score best in this respect (figure 53). Mirroring that, the audit firms score highest as a firm type (figure 54). Beyond that, the findings are nuanced. There are very positive responses from staff in infrastructure firms (60% good or very good) despite the firm type also having the highest negative rating. The negatives may be comparative. Staff in other divisions of infrastructure firms have an array of chartered qualifications with annual CPD. This might lead to adverse assessments of the unregulated nature of consulting training. The lower positive percentages for pure management consulting firms, niche providers and IT/service firms may prove instructive for HR professionals and business leaders in those firm types. Again, firm-specific readouts will be instructive here.

It is perhaps surprising, given other responses, but certainly gratifying to note the evidence in figure 55. Overall, women are moderately more positive than men about training.

Overall, notwithstanding the positives, the findings here accord with our previous Young Consultant survey, as well as numerous other investigations. There are deficits across our member firms in consulting training. Many respondents to the Young Consultant survey indicated that they had been given technical training, but had received little coaching in how to be a consultant per se (skills of selling, presentation, understanding clients and management). The key initiative here is the Chartered Award, on which the MCA continues to work with the CMI. If successful, this could fill some gap. However, whatever the destiny of that initiative, we will continue to work with our member firms on the issue of training quality.

We asked respondents to rate their firms' approaches to staff development. This is different from professional development overall. Not all aspects of staff activity are about the professional 'face' of consulting.

Figure 56

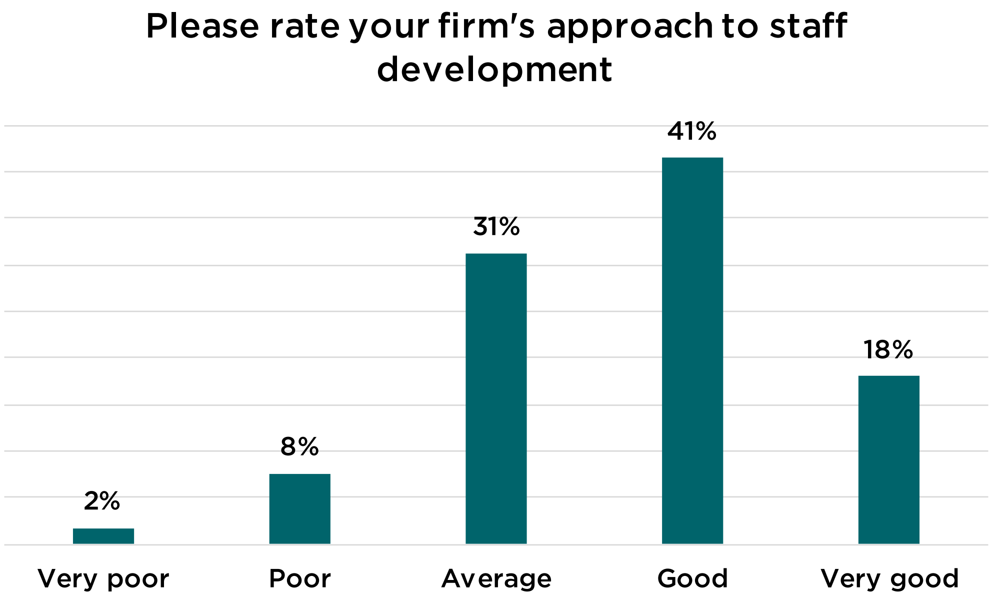


Figure 57

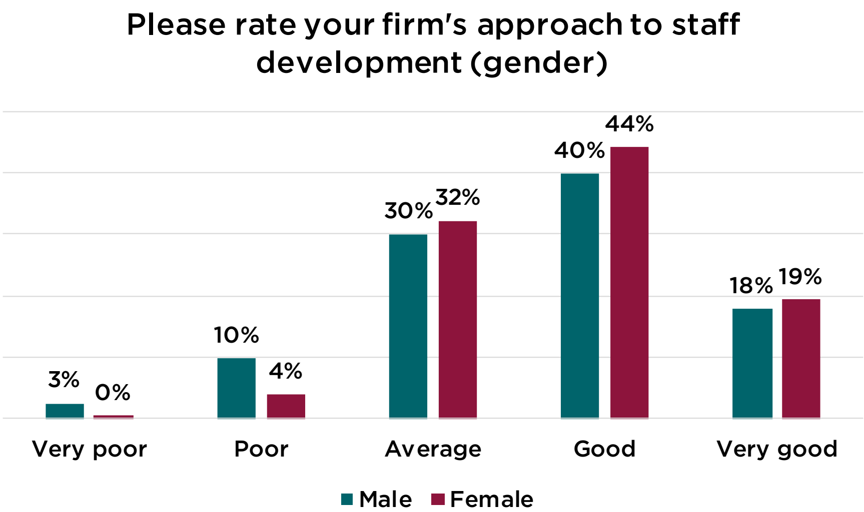


Figure 58

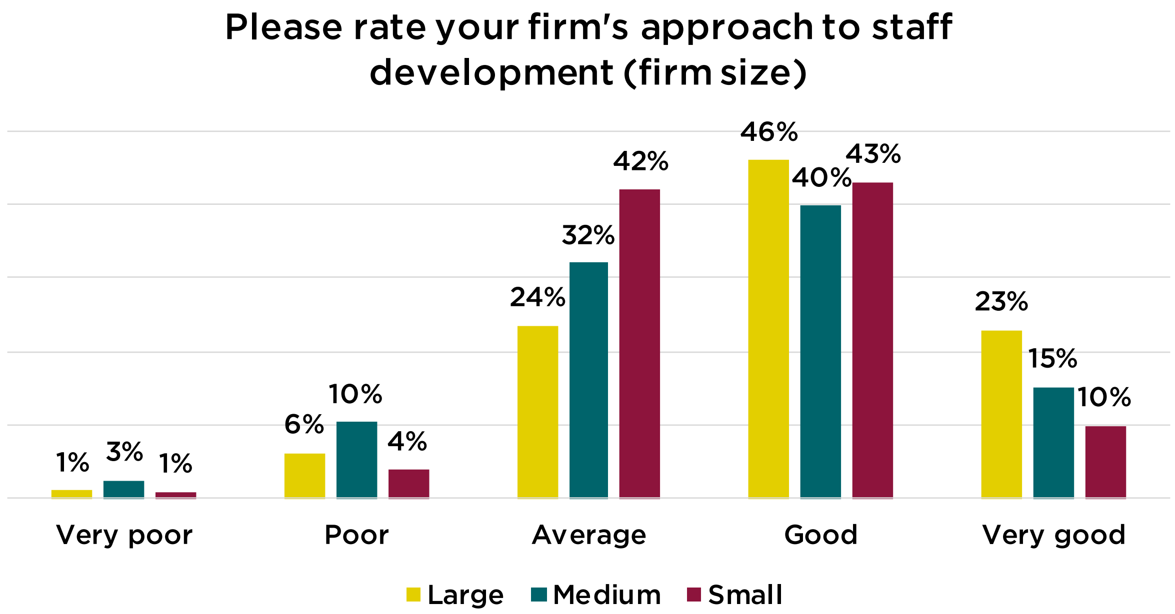
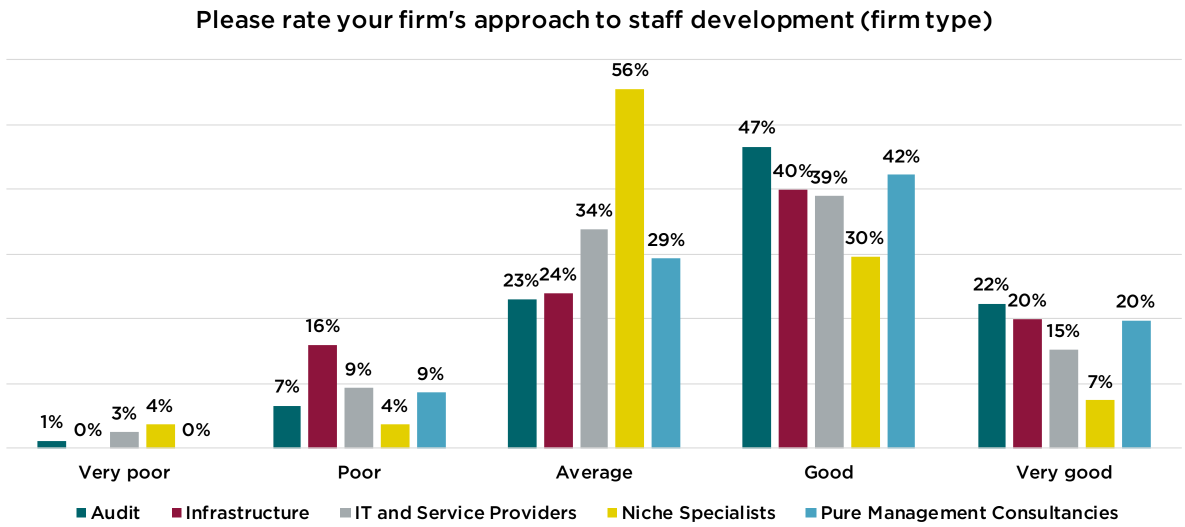


Figure 59



Needless, to say however the responses mapped across to those in figure 48, with a slightly lower result for very good and a higher score for average. (Figure 56). By gender, the result is interesting, seeming almost to contradict the professional development point. However, there is not necessarily any direct contradiction. Some firms may well have responded very positively in engaging with issues raised by women. Women respondents may have appreciated this. That experience might not have proved sufficient however to overcome questions relating to professional development overall. (This might also account for another nuanced response concerning career progression.) Staff development is especially lauded by respondents from the large firms (figure 58) and the audit firms (figure 59). Niche specialists have less positive ratings.

We asked respondents to rate their firm in terms of career progression.

Figure 60

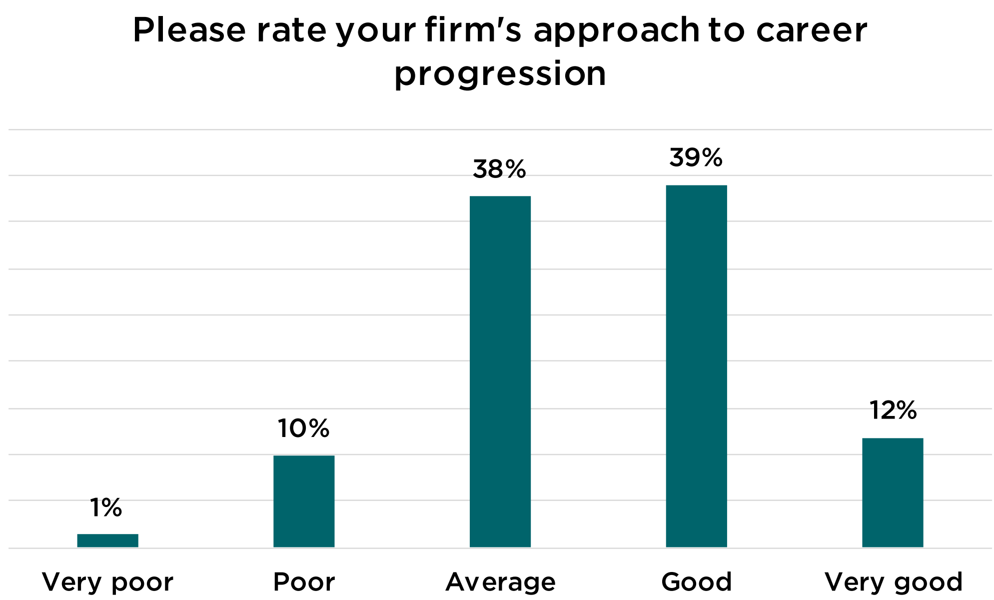


Figure 61

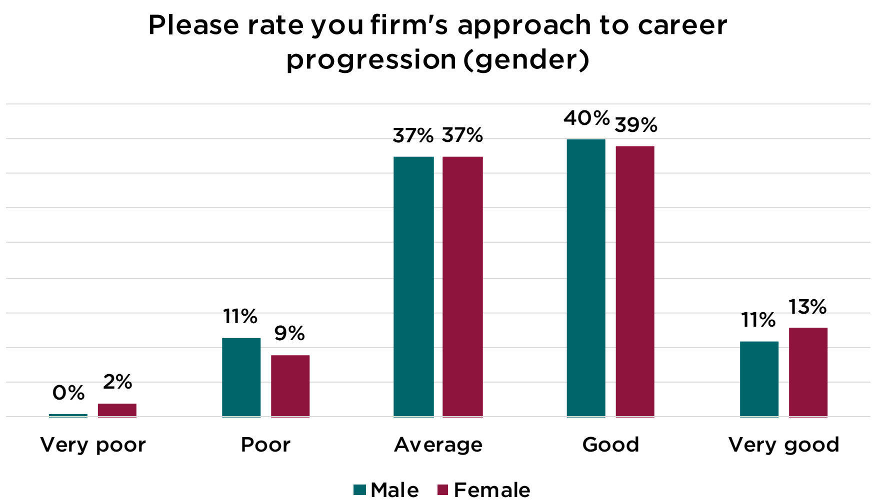


Figure 62

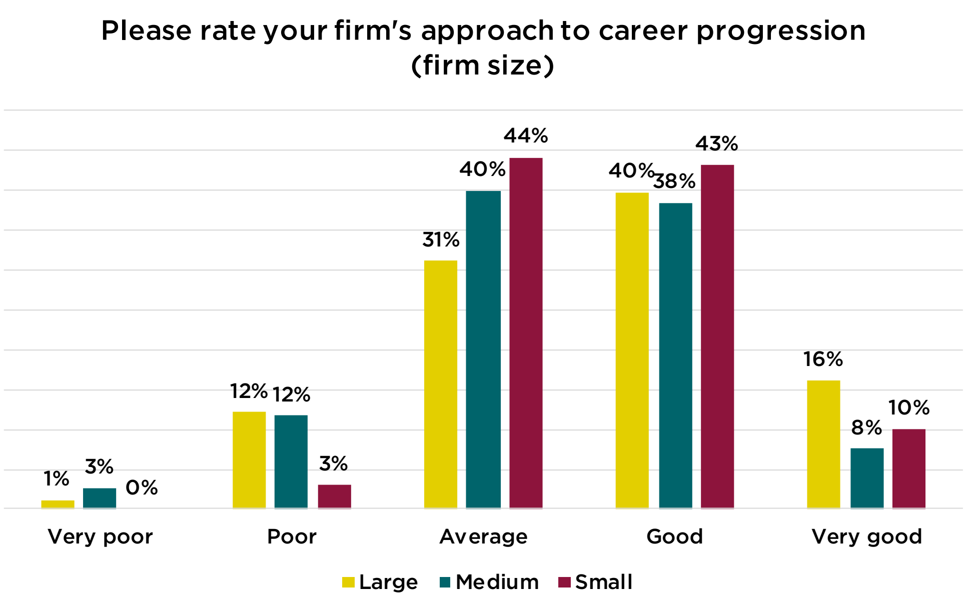
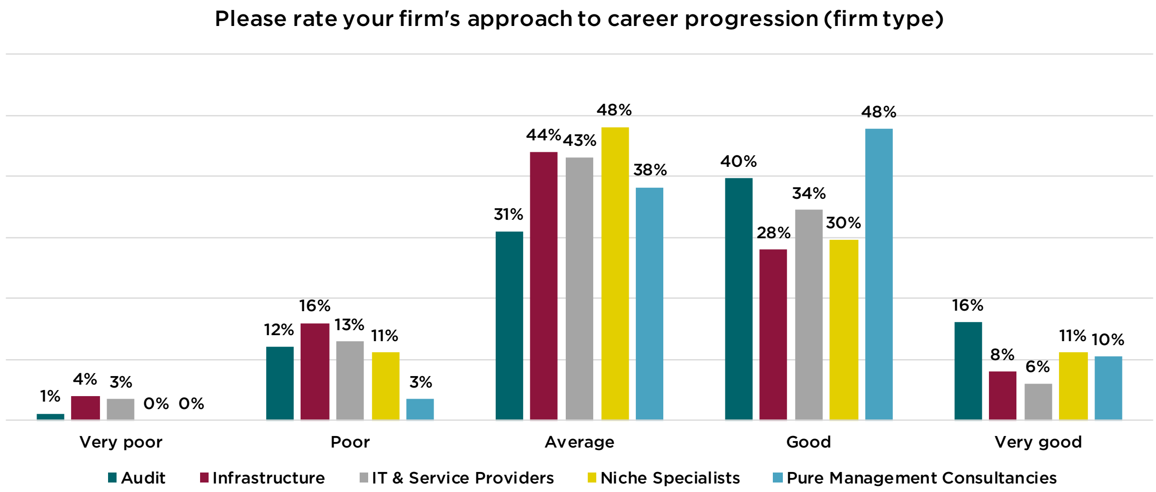


Figure 63



This is a significant set of results. In figure 60, while a marginal majority (51%) rate career progression in their firms as good or very good, 11% rate their firm as poor or very poor. Across firm sizes in figure 62, medium-sized firms are doing least well, while respondents from large firms are polarised, with highest ratings overall for good/very good combined, but noticeably 13% ranking their career progression as poor or very poor. Among firm types (figure 63) while audit firms score well, pure management consulting firms score best of all. By contrast, career progression among niche specialists and IT and service firms is viewed less positively by their staff and 20% of respondents from infrastructure firms rate their career progression as poor or very poor.

The findings in figure 61 reveal a surprisingly aligned picture of male and female perceptions of career progression in their firms, with women if anything marginally more positive. We will monitor these responses closely in future iterations of the survey. The misalignment of female perspective on professional development – more negative than male responses – and on all subsequent related matters (broadly positive) is perhaps a consequence of female exposure to well intentioned initiatives that are viewed positively but have yet to change the balance of power within the industry.

It is challenging to offer easily defined career paths in management consulting. Client value and project performance give an inalienably externally focused and tactical character to much of its work. As the data here on length of service, and from the Young Consultant survey on expectations about changing jobs and firms demonstrate – and as is indeed borne out by more general experience – the consulting workforce is in any case restless and mobile. Movement between employers, increasingly the norm in the wider economy, has been a fact of consulting life for years.

Nevertheless, despite these challenges, anything that member firms can do in mapping out a credible mix of career paths for their specialists and management potential alike will be very welcome. It will help enhance the profession's image with staff and potential recruits.

We asked respondents about their firms' approaches to staff welfare.

Figure 64

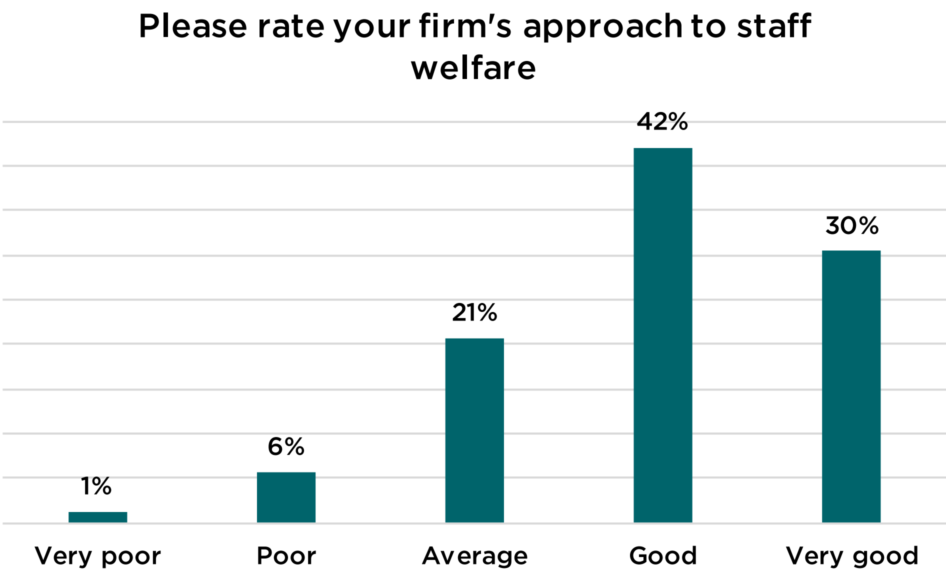


Figure 65

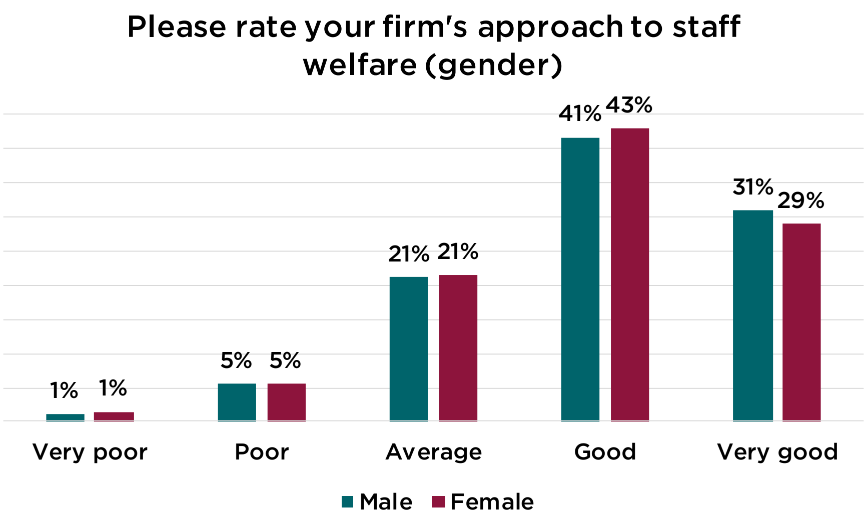


Figure 66

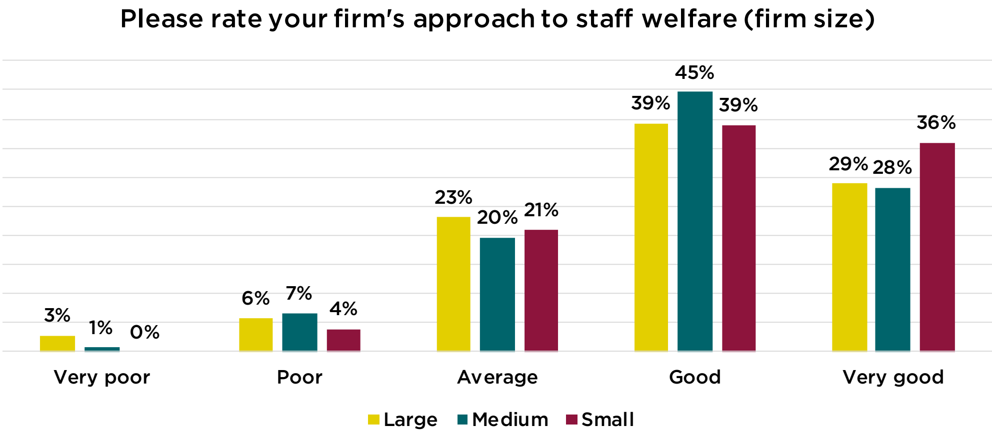
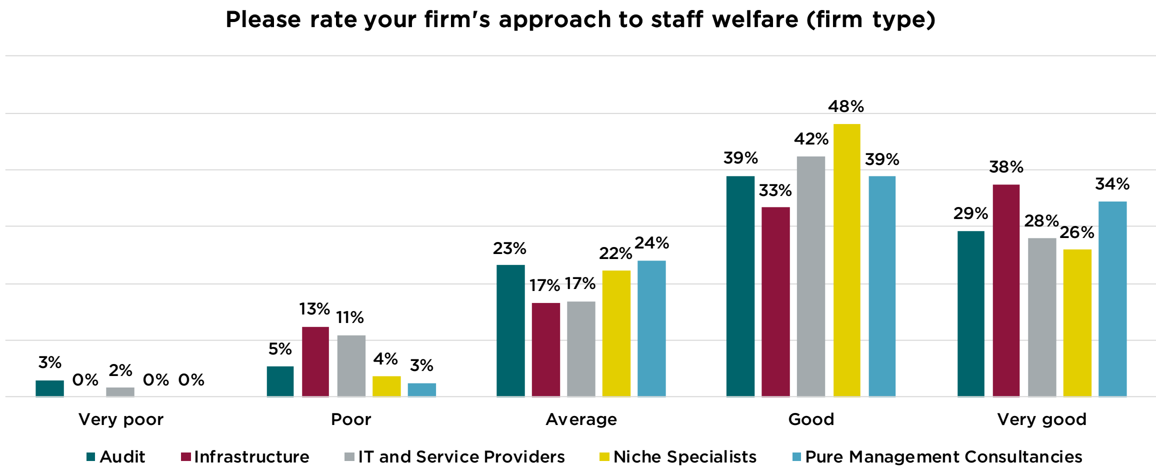


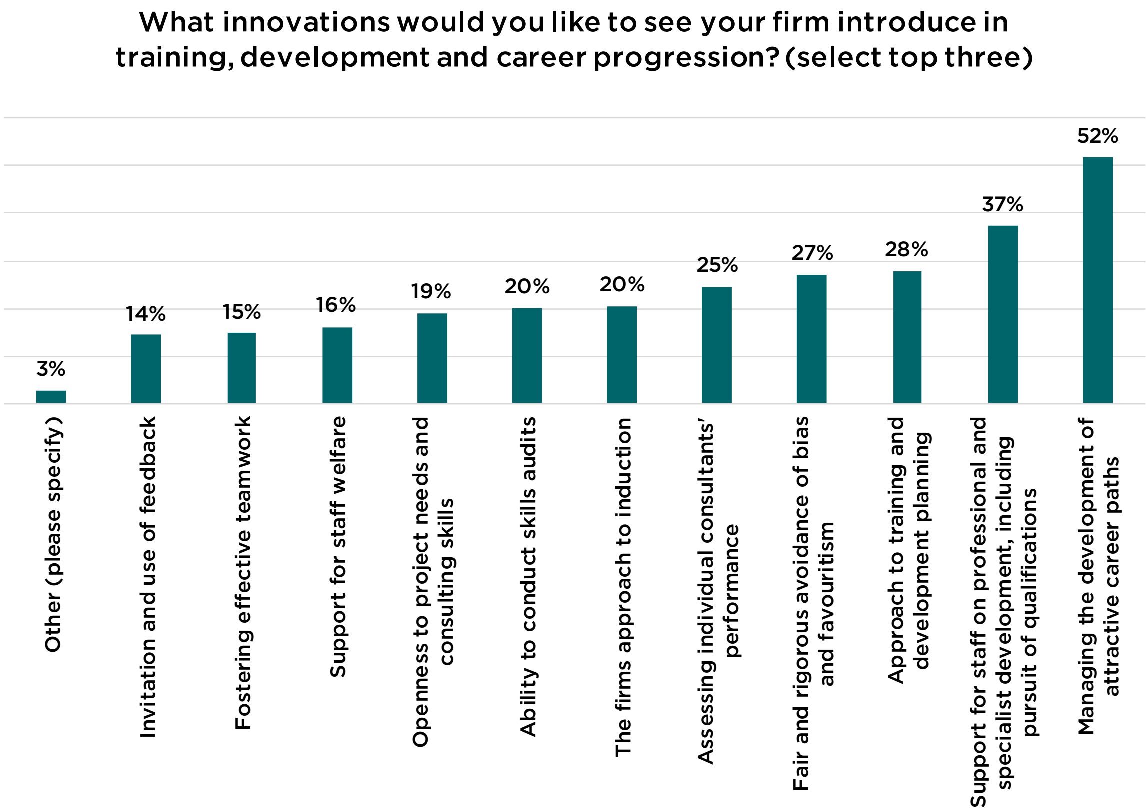
Figure 67



The results in figure 64 are broadly positive, with 72% of respondents suggesting their firm's approach is good or very good. Gender distributions (figure 65) are broadly similar. In figure 66, the small firms are shown to outperform medium sized firms marginally and large firms more significantly. Distributions by firm type (figure 67) are uneven. Good/very good responses are least well marked in the audit firms, with other firm types showing some positive distributions. However, the poor/very poor responses of infrastructure and IT/service firms are themselves matters for concern for those categories. Firms may wish to compare the aggregate findings here with their own readouts. This will reveal whether they have any concentrations of the (mostly small) percentages of staff unimpressed by the welfare approach of their firm and take remedial steps.

We asked what initiatives respondents would like to see their firms pursue to improve performance on training, development and career progression.

Figure 68



Other (Figure 68A)

- Bring back the Team Leader system where TLs were given time to properly engage with their team and explain training, development and career progression.
- Career Development of staff over 50 - none at the moment
- Development of the individual overall - instead of purely and traditionally focussing on career development
- Culture of Innovation
- Diversity, secondments, focus on digital
- Greater innovation with staff performance reviews
- Improved internal communications
- More flexibility from the standard paths
- More Timeliness & Strategy, less ad hoc.
- Our firm honestly does well or is working across these
- Similar training to other consultancies, specifically with regards to technical delivery skills; less alignment to NHS training -- some of the coursework is more “fluffy” than would help add value
- Using training as an opportunity to work with consultants to develop valuable new consulting offerings

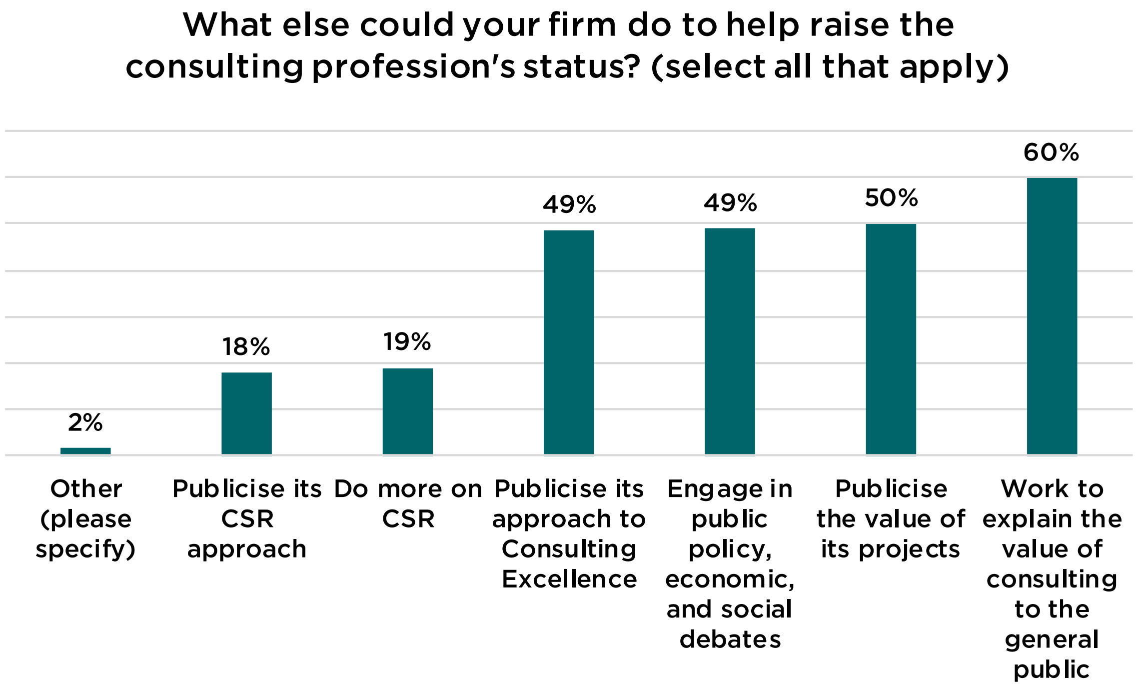
Given the foregoing responses it is unsurprising that the provision of clear, career progression paths was the top scoring selection in figure 68. Among the Other responses, there were some initiative-specific answers. An interesting concern was raised about development and training for the over 50s. This matters in the context of the Year of Diversity, but also relates to challenges our industry faces, together with the economy more generally. The realities of pensions (weakened) and longevity (extended) mean we will all have to work much longer than our forebears. During that time, digital disruption will continue apace. Firms that continually equip their senior staff with new skills, putting in place initiatives like reverse mentoring, will thrive.

Finally, we asked what member firms and the MCA could do to raise the standing of the profession in general. Our purpose was to help ensure that the efforts of member firms singly and collectively through the Association were suitably targeted, to address reputational issues, improve our image, and help secure the very best recruits.

FINDINGS: RAISING THE CONSULTING PROFESSION'S STATUS

Finally, we asked what member firms and the MCA could do to raise the standing of the profession in general. Our purpose was to help ensure that the efforts of member firms singly and collectively through the Association were suitably targeted, to address reputational issues, improve our image, and help secure the very best recruits.

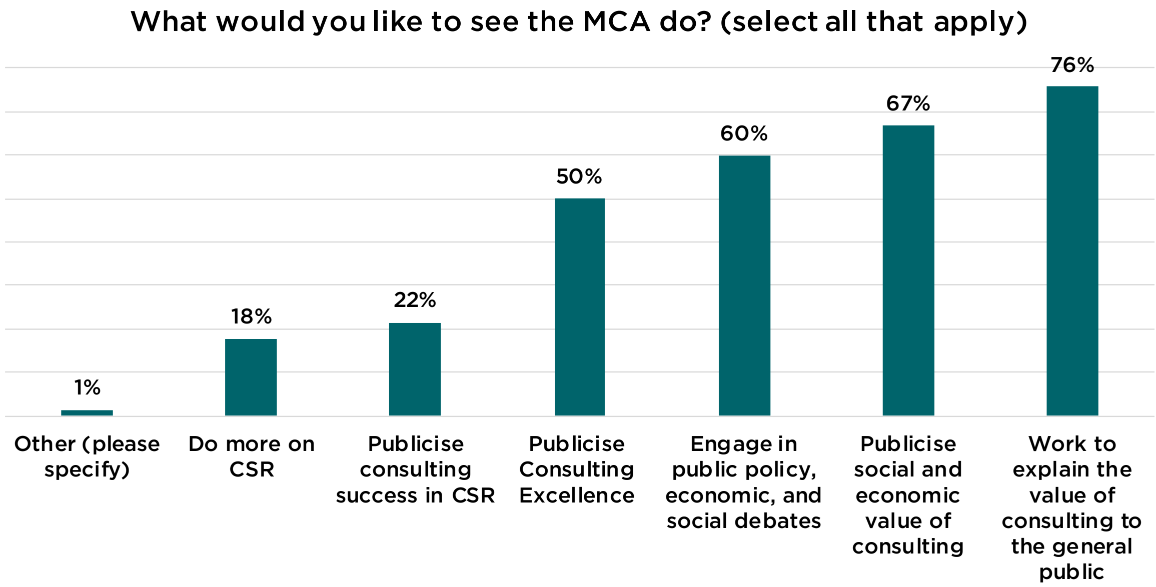
Figure 69



Other (Figure 69A)

- Accreditation for ISO/ESN 9001
- Explain better to the press that we are not just an audit firm
- Focus more on delivery, less on all the elements surrounding it
- Invest in its own abilities to make it as efficient for its own staff as it does for its clients
- Pro bono consulting for high profile consumer government projects
- Promote consulting as a career with students etc.
- Stressing impact and making a difference

Figure 70



Other (Figure 70A)

- Attract the full spectrum of firms, including the most established
- Facilitate the co-operation of member firms to create excellent client solutions
- Hold more events in Manchester!
- Make the consulting industry as well respected as other services sectors, such as accounting, legal (e.g. through arranging respected qualifications, enforcing robust standards, recognising excellence)
- Promote the quality of its members to create more brand awareness
- Recognise excellence in an inclusive way, look beyond the typic 'award' categories and recognise openness, brave and innovative thinking, ethical behaviours and client impact
- Take Consulting to next levels by way of inviting experts for real-time Collaborating and creating Synergies

Among the Other responses on what firms can do (figure 69A), there are some firm-specific ones, but also calls for greater emphasis on client impact and the targeted deployment of pro bono work. In the Other section for the MCA (figure 70A), there is a welcome acknowledgement of the importance the MCA now places on moving beyond its historic focus on London and getting out to the regions (itself a crucial part of our post-Brexit strategy). There are also further steers concerning the MCA's emerging role in fostering inter-firm collaboration.

In the main findings from the very similar option menus (figures 69 and 70) the distributions of responsibilities for individual firms and for the MCA collectively seem broadly similar at first sight. However, the wordings of the requirements are subtly different. The MCA's more general, industry ambassadorial role is acknowledged for example. For firms and the MCA collectively, there is a welcome emphasis on promoting *Consulting Excellence*. However, what is noticeable is that as the onus moves towards influencing policy and explaining the value of consulting to the public, the MCA's role is felt by respondents to be more significant. Respondents seem to want us to build on the work of the Think Tank, the New Economy 2020 and Beyond initiative, our lobbying with the Professional and Business Services Council and directly to Government, to improve the standing of consulting. In short, they want us to continue to behave as a trade body. It is good to know that we are working along the right lines. It is a sobering challenge to know that respondents want us to do more and do it better. However, with Consulting Excellence central to our efforts, we will to rise it.

MCA

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