

Strategy Leaders in Consulting Roundtable

Insights from The Barton Partnership's roundtable discussion on Tuesday 11th July in New York.

Strategy Leaders in Consulting

On Tuesday 11th July 2023, The Barton Partnership hosted a roundtable event in New York, bringing together Consulting Partners, Chief Strategy Officers and Chief Talent Officers. The session focussed on the findings from The Barton Partnership's 2023 Compensation Insight report, and explored key points on working practices, the importance of diversity and prioritization, organizational purpose and mission, and AI implementation - exploring how these factors are driving innovation and shaping the talent landscape for those hiring current and former consulting talent.

What follows is a summary of the key points discussed during the session:

#1 Navigating compensation trends in talent acquisition:

- The Barton Partnership's Compensation Insight Report for 2023 revealed a 7% increase in compensation satisfaction over the past year, attributed to consulting firms offering richer packages amid a weaker job market.
- The discussion explored the impact of compensation satisfaction when hiring consultants. Some participants reported finding it more challenging to attract talent from consulting firms due to the comparatively better compensation and satisfaction levels offered in those firms. Conversely, others reported that industry roles were more appealing to consultants due to fluctuations in compensation and a less competitive job market.
- Attendees noted that the compensation satisfaction trend was more prevalent among junior-level consultants, possibly due to limited professional experience. Additionally, industry roles were increasingly attracting talent that would typically pursue private equity positions or business school after consulting.
- The participants emphasized the significance of transparent communication and realistic salary expectations during the recruitment process. Defining salary ranges and aligning them with specific roles and locations helped establish more accurate expectations for both parties during the process. This approach facilitated open discussions about candidates' preferences beyond compensation, such as work-life balance.
- Attendees discussed the self-selection process in candidate pools, resulting in fewer applications received but a more suitable pool of candidates. Companies used data and portfolios to benchmark their compensation against industry peers, ensuring competitive offerings to prospective hires.
- Retention bonuses and equity packages were discussed as potential challenges in the hiring process, but participants mentioned finding creative solutions to address these issues. Compensation was not found to have a significant impact on hiring efforts, although potential bonuses from the previous year were starting to expire without new offers being made.

#2 Maximising productivity in a hybrid work environment:

- Flexible working arrangements and hybrid models were discussed, with participants noting that candidates appeared more satisfied with established remote work policies and clear guidelines. Work-life balance remained a significant concern, as anonymous surveys revealed that employees struggled with managing their workload and balancing work and personal life. Establishing a healthy work environment with clear boundaries and addressing work-life balance challenges were seen as ongoing and important objectives.
- Balancing the scale of the business and the importance of in-person interaction was highlighted, with smaller companies benefiting more from in-person collaboration and larger companies potentially facing isolation despite physical presence.
- The challenges of implementing hybrid or remote work models were explored, with participants pointing out potential negative impacts on work-life balance, the quality of work produced, and the need for additional training to bridge skill gaps caused by limited in-person interaction. Concerns were raised regarding the expectations and culture associated with hybrid work, emphasizing the importance of aligning messaging and policies to avoid micromangement and negative reactions from employees.
- Attendees acknowledged the difficulty of finding the right balance between remote and in-person work, considering generational differences and individual preferences. They noted that different generations are driven by factors such as purpose-driven initiatives, diversity and inclusion, family orientation, and compensation. Defining policies that align with the organization's culture and values was recognized as a complex challenge.
- The impact of the current economic uncertainty on talent mobility and attrition rates, particularly in consulting firms, was discussed. The participants anticipated potential fluctuations in the job market and the possibility of consulting firms needing to push people out to rebalance the market and manage compensation expectations, which may result in a challenging period.

#3 DE&I in hiring practices:

- Participants noted a shift in the emphasis on diversity and inclusion (DE&I) in hiring decisions, speculating whether this change was market-dependent or if companies believed they had reached an optimal level of diversity. From a recruiting standpoint, candidates continued to prioritize DE&I, particularly regarding representation at leadership levels. Participants acknowledged that DE&I initiatives played a significant role in attracting and retaining talent.
- The discussion explored the relationship between compensation, benefits, and DE&I efforts. Career progression and compensation were identified as top motivators for consultants and professionals, but from a gender perspective, vacation days and a four-day working week emerged as significant differentiators. Companies were looking into enhancing family benefits, fertility benefits, and smooth transitions back to work as part of their DE&I initiatives.

- A comprehensive and ecosystem-wide approach was recognized as necessary to achieve DE&I goals. Access to diverse talent pools, consistent messaging and actions, and addressing compensation, benefits, and leave policies were mentioned as crucial factors. The discussion emphasized the interconnectedness of DE&I initiatives with talent acquisition and business success.
- Innovative approaches within their organizations included incorporating DE&I as a board-level initiative and including it as a factor in bonus packages. Workforce diversity metrics tracking and setting goals for increased diversity over time were also discussed.
- Participants observed a reduced emphasis on social inclusion, ESG, and sustainability initiatives in candidates' decision-making process compared to previous years, particularly during the peak of movements like #MeToo and Black Lives Matter. However, attendees noted that Sustainability practices and affinity for ESG initiatives attracted a substantial number of candidates for job openings.

#4 Artificial Intelligence and strategy development:

- The discussion shifted to the impact of artificial intelligence (AI) on the consulting industry and its potential role in strategy development. Some participants expressed concerns about the uncertainty surrounding AI's evolution. Others believed that AI could be an additive tool rather than a detriment, emphasizing that strategy still required a human component and engagement.
- The participants acknowledged that AI was a hot topic in service industries, and its impact on productivity and efficiency was being explored. They shared examples of AI tools being used within their organizations, such as platforms that accelerated content creation and facilitated meeting communication. However, they also recognized the need for caution, including data privacy concerns and the risk of over-reliance on technology.
- Data privacy concerns and the risk of over-reliance on technology were discussed as important considerations in the usage of AI tools. The decision to ban certain AI tools, like chat GPT, was mentioned due to data privacy concerns and potential risks associated with their usage.
- Proper investment in AI was emphasized as essential to maintain competitiveness and unlock productivity and efficiency gains. It was concluded that companies without sufficient AI investment risk falling behind in these areas while the full impact of AI continues to evolve. Overall, the participants agreed that AI's impact on the consulting industry was still unfolding, and its potential benefits and challenges needed to be carefully navigated.

About The Barton Partnership

The Barton Partnership is an award-winning executive recruitment and consulting services firm providing permanent search and independent consulting services across all aspects of Strategy & M&A, Digital, Data & Analytics, ESG & Sustainability, and Transformation & Change. We have offices in London, New York, Paris, Singapore, Hong Kong, and Sydney. Our clients include FTSE listed and Fortune 500 companies across all sectors/industries; SMEs, Strategic, Innovation & Management Consulting firms (large and boutique), Public Sector, Global Financial Services, Private Equity and Venture Capital organizations.

Our network represents talent across all disciplines and sectors associated with Strategy & M&A, Digital, Data & Analytics, ESG & Sustainability, and Transformation & Change.

Through a curated network of more than 8,500 independent consultants, we provide clients with individuals and teams for business-critical projects across North America, and Asia Pacific. In 2023 we were ranked Gold for Consulting Networks in the Leading Management Consultants report by the Financial Times for the second consecutive year.

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