

Stake holder Perception towards consultants



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Stake holder Perception towards consultants

Management Consulting is creation of value for organizations, through the application of knowledge, techniques and assets to improve performance.



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Ever since 1886 when Arthur D. Little founded this practice in Cambridge, consulting has grown into about a £140 billion per year global industry. Over the decades, the management consulting industry has responded creatively to the changing needs of clients, leading to the growth of a thriving industry.

Clients do receive benefits at large by using the consulting services but at the same time are entitled to a huge risk owing to the doubtful credibility of a consultant. Unlike other professions, management consultancy is yet to grow as a profession with accreditation. A person decides to become a consultant based on his/her corporate experience, and gets the label of a consultant. Although every professional, to call himself/herself a professional has undergone various recognized certifications but very few of them have consulting certification associated with them.

There are certification bodies, which certify consultants such as ICMCI and IMCI, the number of member consultants is insignificant. ICMCI at an international level regulates the Certified Management Consultant (CMC) qualification. Despite the best efforts of those trying to develop the consulting profession and institutes, around the world fewer than 10 per cent of consultants are members of consulting institutes and fewer than two per cent are CMCs. This makes it very necessary to understand the impact consultants have on their stake holders i.e. groups with whom they interact.





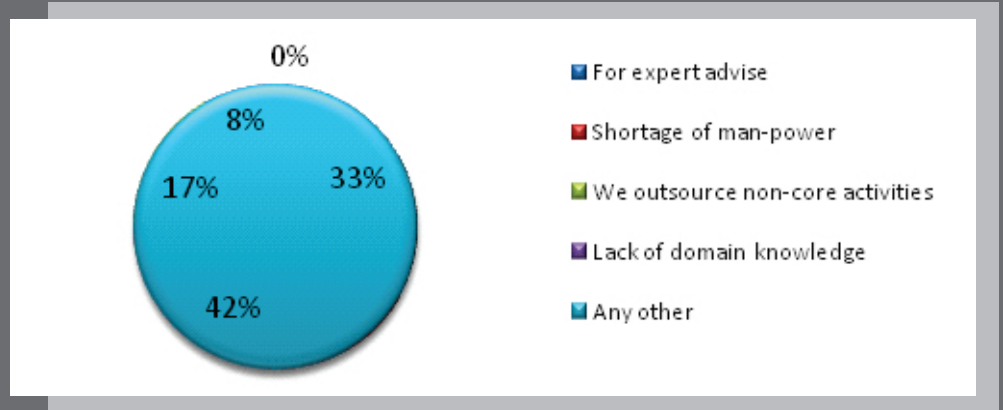
This article focuses on the perceptions of various stakeholders of management consultants with a view to make recommendations for creating more professionalism in this domain. The research provides a multitude of suggestions on what firms must do well to satisfy the stakeholders better.

The stakeholders recognized for the purpose of this research were companies i.e. Buyers of Consultancy, Management Consultants themselves, B-School students aspiring to work with consultants and Certification Bodies. For each of the former three stakeholders, a sample size of 15 was selected. The responses of the candidates were captured using a questionnaire or an unstructured interview format.

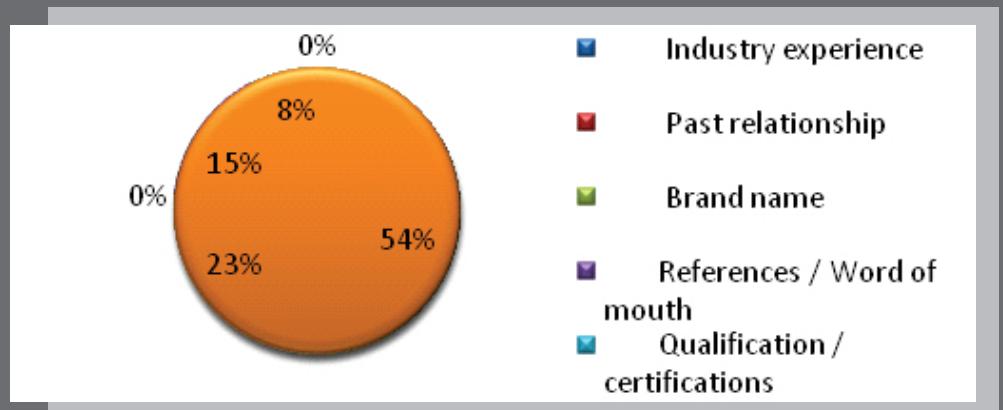
The article is divided in a way that gives away a snapshot of the perception of each of the above mentioned stakeholders. Only the prominent perceptions have been detailed in the remaining part of the reading.

1.0 BUYERS OF CONSULTANCY

The most common reasons for which an organization would hire a consultant are expert advice and shortage of manpower. Clearly figures indicate that organizations prefer to hire a consultant instead of recruiting new candidates. Further, 50% of the consultants are hired based on the relationship they maintain during and post their previous assignment. Clearly relationship building forms a major part of a consultant's role.



A consultant may be hired more than once by the same client or may be hired for projects of varied durations, but the reasons for which he is hired remains limited and constant. A whopping 54% of respondents confirmed that industry experience i.e. number of successful projects in the basket determined the potential and credibility of a consultant. The figures again indicate the importance of relationship building with client by putting it as the second ranker.



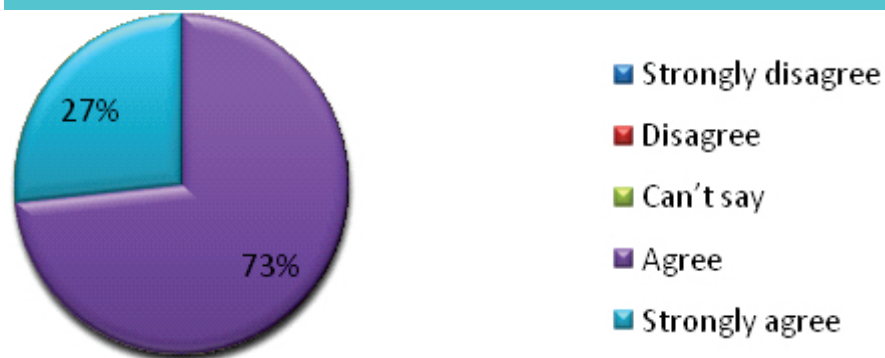


Listed below are few qualities of a consultant that were recommended as necessary by the clients.

- Domain Knowledge (41%)
- Analytical skills (34%)
- Commitment to client (31%)

Survey responses also comment that many a times a client deploys its projects in phases due to lack of trust in a consultant's potential. This lack of trust is generated due to lack of professional certification or lack of experience on the consultant's part. When further asked if the clients are aware of any kind of professional certification for consultants, 55% of them were not aware of any.

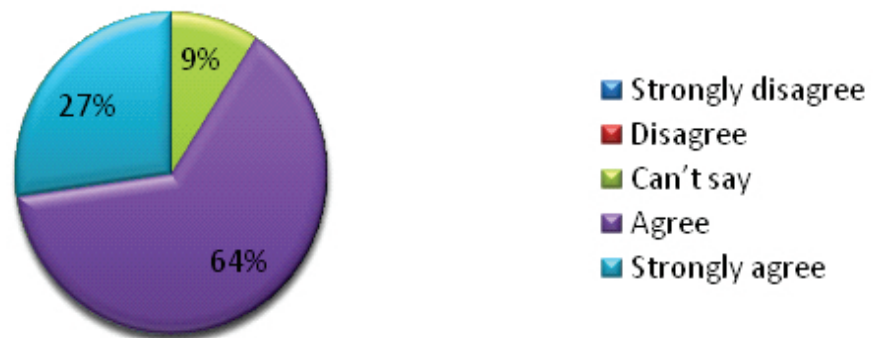
When asked if the work done by consultants makes any difference to the organization, all the respondents agreed to the statement. Thus indicating the importance of commitment to clients and quality work is always remembered and may lead to further business with the same client.



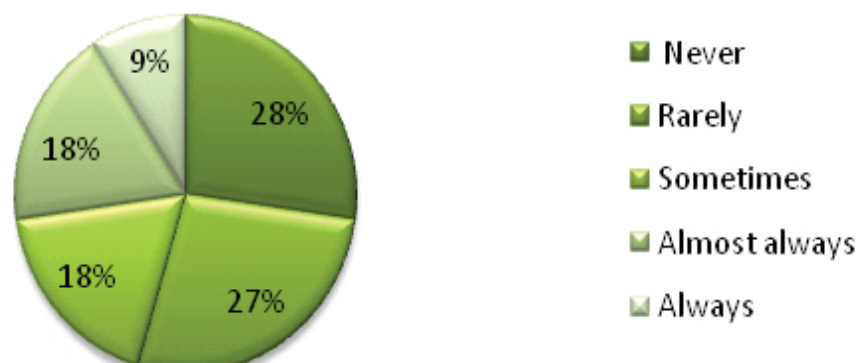
Following are some perceptions that clients have about the consultants:

- a) As good as 82% of respondents feel that consultants focus more on the task they are hired for and not on selling new business.
- b) 82% of the buyer replied that consultants always treat the company information as confidential and do not take personal advantage of the information gathered.
- c) 91% of clients responded that the consultants always set unrealistic expectations of the benefits to be received by the clients.
- d) 67% of clients confirmed that Consultants do not accept assignments for which they have no knowledge.
- e) All clients completely or partially affirmed to the fact that Consultants maintain a professional approach in all the dealings with the organization

When asked to compare between a specialist and a generalist, 64% plus 27% of the clients replied that they feel a specialist is more sought after than a generalist as he/she understand a problem in a much better way and therefore gives value for money.

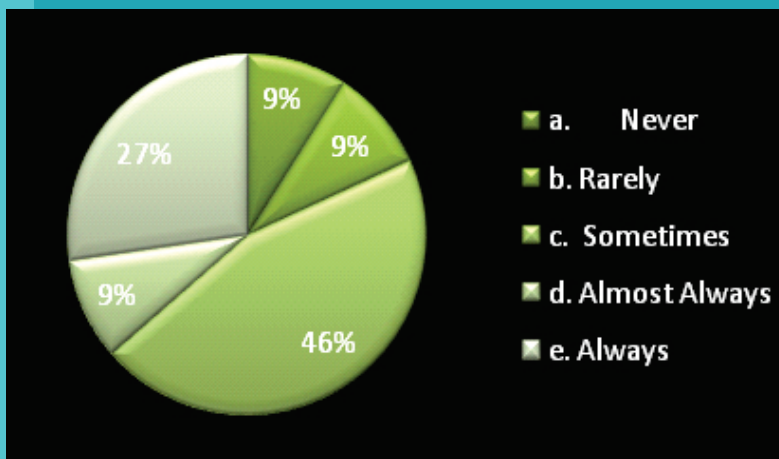


A mix response was received from the clients when asked if the consultants approach employees from client's organization to consider alternative employment. With an equal number of respondents lying on the either side of the line, not much can be commented about the client's perception except that situations like these should be avoided until necessary



2.0 SELF-PERCEPTION

Consultants were asked if they get in touch with other consultants. A large chunk of the respondents say that they do interact with other consultants for knowledge sharing and networking opportunities. Approximately 70% of consultants receive business between 0 to 25% through this networking. Further there are another 10% of respondents who claim that 50 to 75% of their business comes through networking



Most of the Consultants responses regarding their working styles were in sync with what the clients had to say about them.

- Similar to client's perceptions, consultants too feel that clients select them based on their industry experience and relationship building.
- Consultants too feel that domain knowledge and analytical skills are the most sought after skill set among them.
- Consultants also realize that it's the quality work that sells the most and therefore competitive edge can be gained by providing the same.
- Consultants, akin to the clients feel that, a specialist role is more preferred over a generalist.

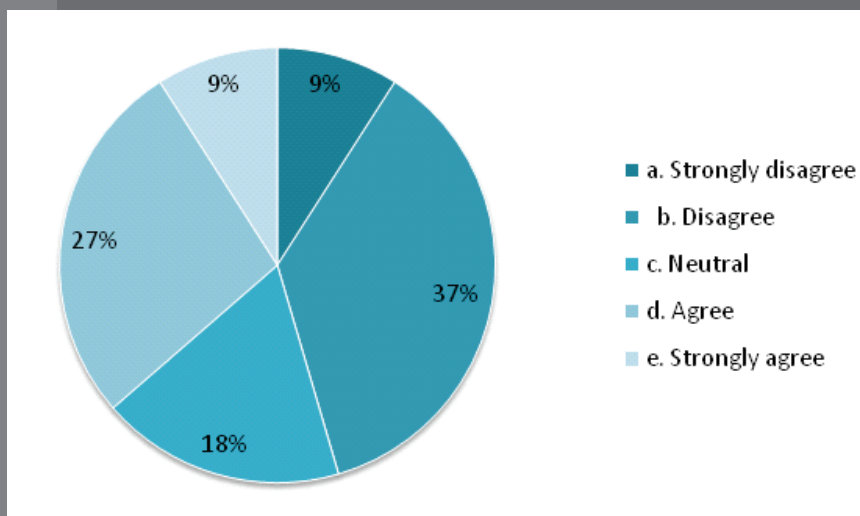
Perception of the consultants and the clients differ in the following matters:

- When 31% of the clients claimed to use phased out deployment methodology due to lack of trust in the consultant's work, Consultants feel quite the opposite. Only 7% of the respondents feel that a client would use such methodology for the same reason.
- Consultants feel that they always set realistic expectations of the benefits to be received by the clients, whereas the clients think otherwise.
- Clients feel that consultants do not take assignments for which they have no knowledge whereas 73 % consultants claim that they do take such assignments.

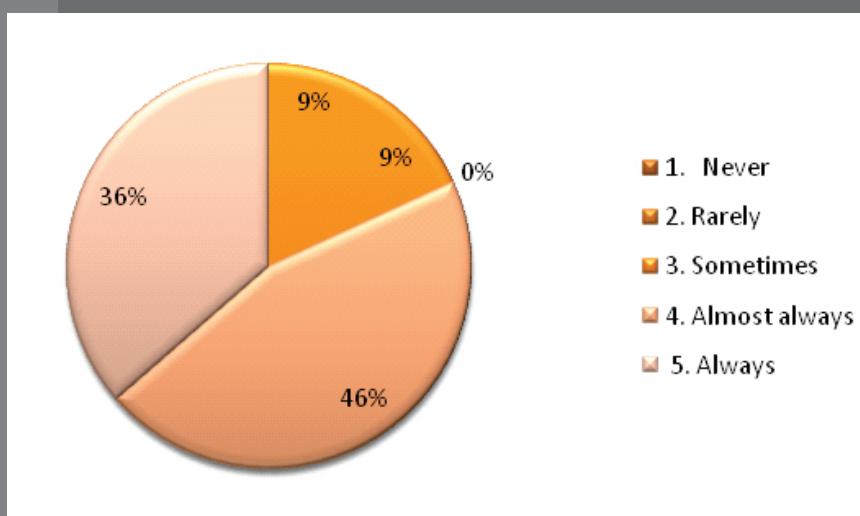


Consultants were asked if they think that at times consultants focus more on selling new business rather than focusing on the task they are hired for. Their answers are captured in the graph below:

As can be seen, an approximately equal number of consultants lie on the either side of the line. Akin to what the clients have to say for the same case, there exist a bunch of cases where the consultants have asked clients' employees to join themselves.



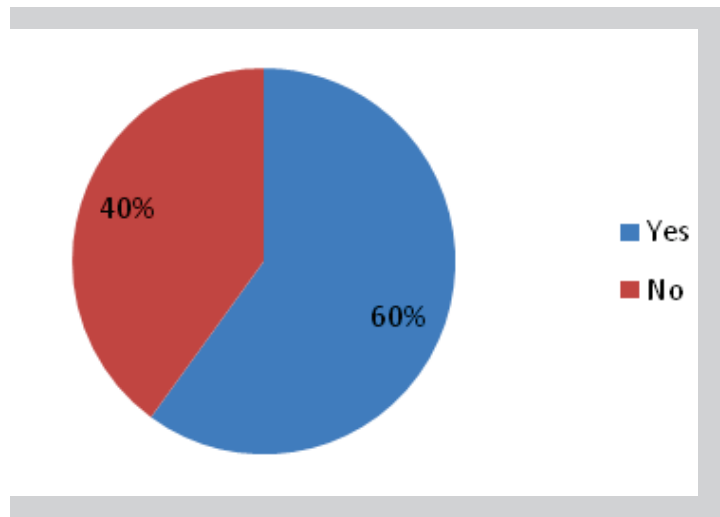
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At the end, Consultants claim that evaluation of the work done by the clients is inappropriate in terms of fees they are paid vis-a-vis effort put in and value generated by the consultants.

3.0 B-SCHOOL STUDENT PERCEPTION

Consulting as a profession is catching up with the young MBA's. When the students were asked if they were interested in taking up consulting as a profession, 60% of them showed readiness to do so, as can be seen in the graph below



Among several reason suggested by the students for joining a consulting firm, the top three were

- a) They possess the required consulting skills
- b) Job was exciting and challenging
- c) Intellectual/ job satisfaction

For those, who denied the opportunity of joining a consulting firm, reasons were:

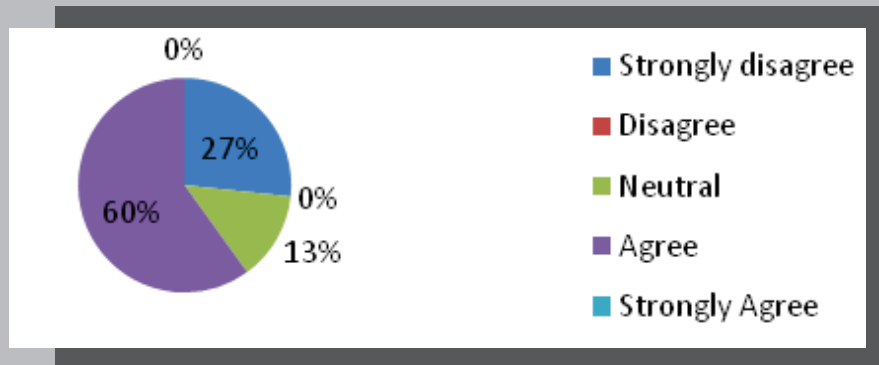
- a) It doesn't pay well
- b) Job does not seem to be exciting and

Those candidates who wanted to work with the consulting firms were more interested in the multinationals rather than the home based firms.

53% of the respondents felt that management course has prepared them for the consulting profession and therefore they did not feel like doing any additional course for the same. 87% of the respondents have never heard of any consulting certifying bodies.

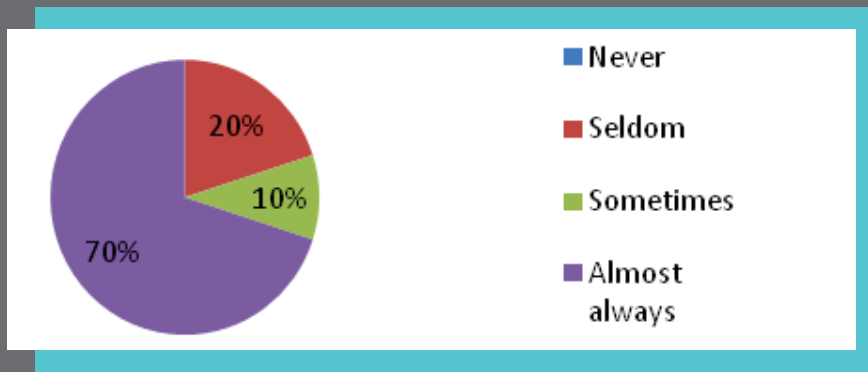
From all the above, inference that can be drawn is that among the student body the awareness of consulting as a profession and the required skill set are not highly available.

Akin to what other stakeholders had to say, students too feel that consultants do bring a positive impact on the Organization .60% of the students think that way.

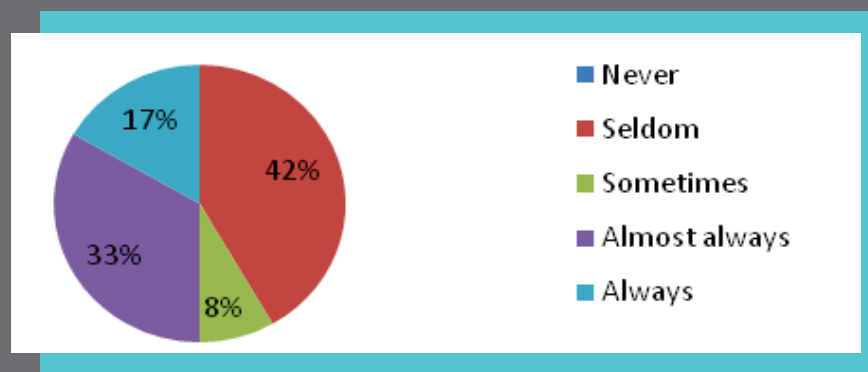


Very similar in thought, students too believe that domain knowledge and analytical skills are the most important for a consultant job.

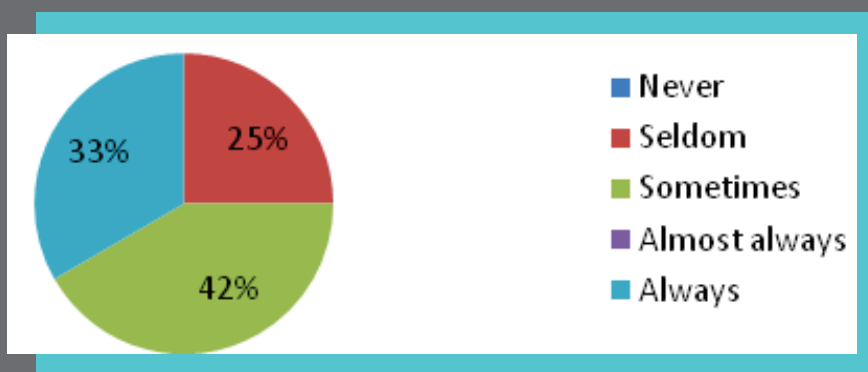
Students have a very ethical view of the entire consulting profession starting from the confidentiality of information for which more than 60% students vouched for, to the setting of realistic expectation for the clients for which approximately 70% of the candidates vouched for.



Again more than 70% of students vouched that a consultant will never accept assignments which are beyond his potential.



Similarly a good portion of the students , believe that all the consultants will disclose the objective, work plan scope and fess for any assignment before accepting it.





4.0 CERTIFYING BODY'S OPINION

What is striking is the contrast between the rapid growth of consulting as a profession and the low count of membership of the certifying bodies.

Even when the consulting firms stress on the importance of the domain knowledge and consulting skills, very few of them are the members of the certification body. As a matter of fact, awareness levels among the buyers, students and consultants themselves are also less. Further the number of members is decreasing. The certifying bodies endorse the candidates for joining the organization in return for knowledge and learning opportunities.

In contrast to all other stakeholders, Certifying body suggests that the primary skills for a consultant should be domain knowledge and report /proposal writing.

They also suggest that it's the peculiarity of the case that determines whether a specialist is a better fit or a generalist. And no one could be preferred over the other.

They also suggest that whether or not a consultant behaves ethically or not depends entirely on the individual or the organizational context and not on the consulting as a profession.

5.0 CONCLUSION

Consulting as a profession is being taken up increasingly and the trend will keep rising in the future. The most important factor is that accreditations of consulting bodies and individual consultants should be taken into account.

Awareness has to be created among the various stake holders. MBA curriculums should be modified to encompass the consulting concepts. A large number of ethical issues associated with consulting prevail but they can be taken care of with the help of widespread effort of certifying bodies and regulatory framework.

The perceptions of various stakeholders could be clubbed up to make a snap shot of what an ideal consultant would work like.





ANEETA MADHOK, PhD, CMC, GPHR DIRECTOR



Dr. Aneeta Madhok, is Director at Open Spaces Consulting in Mumbai, India. A global professional, HR systems expert, people person, creative thinker & writer, much sought after speaker, academician of repute, behavioral scientist and experienced trainer.

She has served the Management Consulting Profession as President of Institute of Management Consultants of India and is currently Chairperson of the Executive Committee (2009-2011) the International Council of Management Consulting Institutes which she undertakes in an honorary capacity.

Dr. Madhok is a recipient of the British Chevening Scholarship from the U.K. Foreign & Commonwealth Office. She has received the

award for Best Faculty in Management from Bombay Management Association as well as NMIMS University. Her area of experience & expertise are in Human Resource & Organizational Development (with special acumen in Performance Management Systems, Behavioural Skills Training, Personnel Assessment, HRD Systems Design and Improvement) with proven success stories having provided various multinational, large & small enterprises with an innovative insights and solutions. Dr. Madhok is a Certified Management Consultant and a Master Trainer for the Global Professional in Human Resources (GPHR) Certification for the Society for Human Resources Management (SHRM). She is an accredited user of the Myers Briggs instrument of the Consulting Psychologists Press, and the DISC based assessment system of Thomas International.

Dr. Madhok qualified with an honors degree in Psychology from Delhi University and MBA in HRD from XLRI, Jamshedpur, and also has a PhD in Managerial Leadership from Punjab University in Chandigarh India. Her corporate career in India spanned over 12 years with the DCM Group's SRF Limited and FMCG major Marico and has worked in academics from 1993 to 2007 with NMIMS University as Dean of their School of Business and with SP Jain Center of Management as Dean, Center for Human Resources.

She draws upon ancient wisdom from India to throw light on modern day situations with clarity and conviction. Her approach has always been to create integrative and inclusive, holistic frameworks and perspectives for the work that she does. She is keenly interested in the ways that individuals integrate themselves with organizations and group dynamics in teams. In her research, teaching and consulting, Dr. Madhok looks for opportunities to translate management practice into theory and vice versa.

Dr. Madhok has consulted to the International Labour Organisation and has interacted in several national and international professional forums. She holds life membership of the Indian Society for Training and Development, Bombay Management Association, and National HRD Network. Dr. Madhok is also a fellow of IMCI and Sumedhas - Academy for the Human Context. International memberships include Society for Human Resources Management, USA and Dubai Human Resources Forum



O P E N S P A C E S

Corporate Strategy and Human Resources is the key to building businesses that are vibrant, competitive and well integrated. Sustaining and growing businesses that endure over the long term and delight in the short term is one of the biggest challenges faced by companies in today's context. Open Spaces Consulting has been set up by management professionals to meet the needs of companies today for transforming organisations and meeting these challenges.

At Open Spaces we believe that People and Strategy come first in any business. Almost all business issues can be worked with at these two levels. Success comes from building perspectives that move the organization forward and up the evolutionary path and also comes through implementing solutions to problems that arise in the normal course of business. There is a role to be played by external consultants who bring an objective point of view, in the facilitation of such perspectives and solutions. We see ourselves as partners with our clients in their growth and development

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