

# INDUSTRY UPDATE: Management Consulting

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## Management Consulting

Admittedly, Management Consulting is a rather broad field, so let's begin with a little definition. According to LinkedIn, there are 105,600 executives as we define them (see Editor's Note) in this field in the specific geography under review (US, EU, UK, and Middle East). This number has grown by 3% in the last year and approximately 3,000 industry executives have changed jobs in that period. The industry comprises 73% male executives, meaning this industry, too, exhibits a relatively low share of female managers with some regional variation.

Breaking out some of the key specializations in this overall segment (Chart 1) we find that IT, Education, Marketing, Training and Coaching, Non-Profit, Financial Services, and Computer Software constitute about 25% of the executives in the field with the remainder spread rather widely across other activities. Chart 1 also provides the YOY growth rates as reported through LinkedIn.

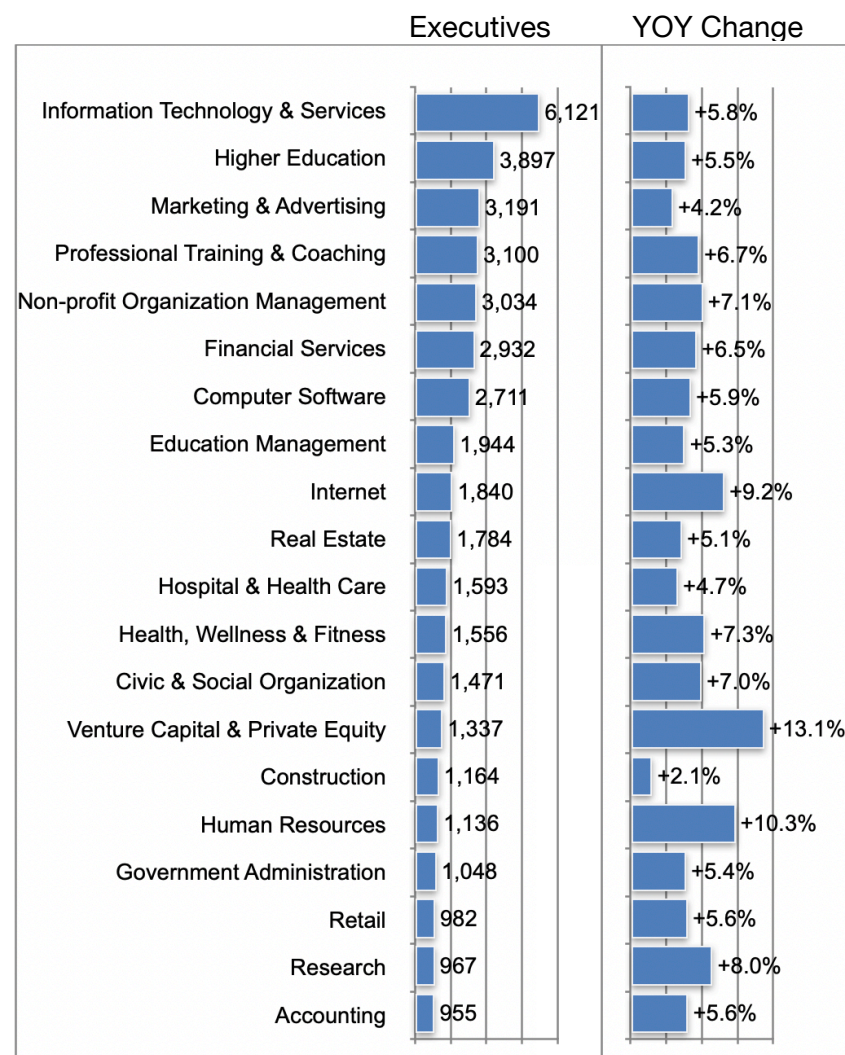
Among the top specializations, LinkedIn highlights these industries as showing a high or very high hiring tendency:

- Information Technology (Very High)
- Financial Services (Very High)
- Computer Software (Very High)
- Hospital health Care (Very High)
- Health, Wellness & Fitness (High)
- Venture Capital & Private Equity (Very High)

**Editor's Note:** In this Industry Update "executives" will generally refer to the CEO, CFO, COO, CTO, CIO, CMO and Vice President titles only. Unless otherwise noted, the data in this Update will largely come from LinkedIn and represents a snapshot of the market as it was at the time of the research. Is LinkedIn truly representative? Here's a little data: LinkedIn has approximately 722 million users, 174 million in the US and 163 million in Europe. (See Source) It is by far the largest and most robust business database in the world, now in its 18th year. LinkedIn defines the year over year change (YOY Change) as the change in the number of professionals divided by the count as of last year and "attrition" as the departures in the last 12 months divided by the average headcount over the last year.

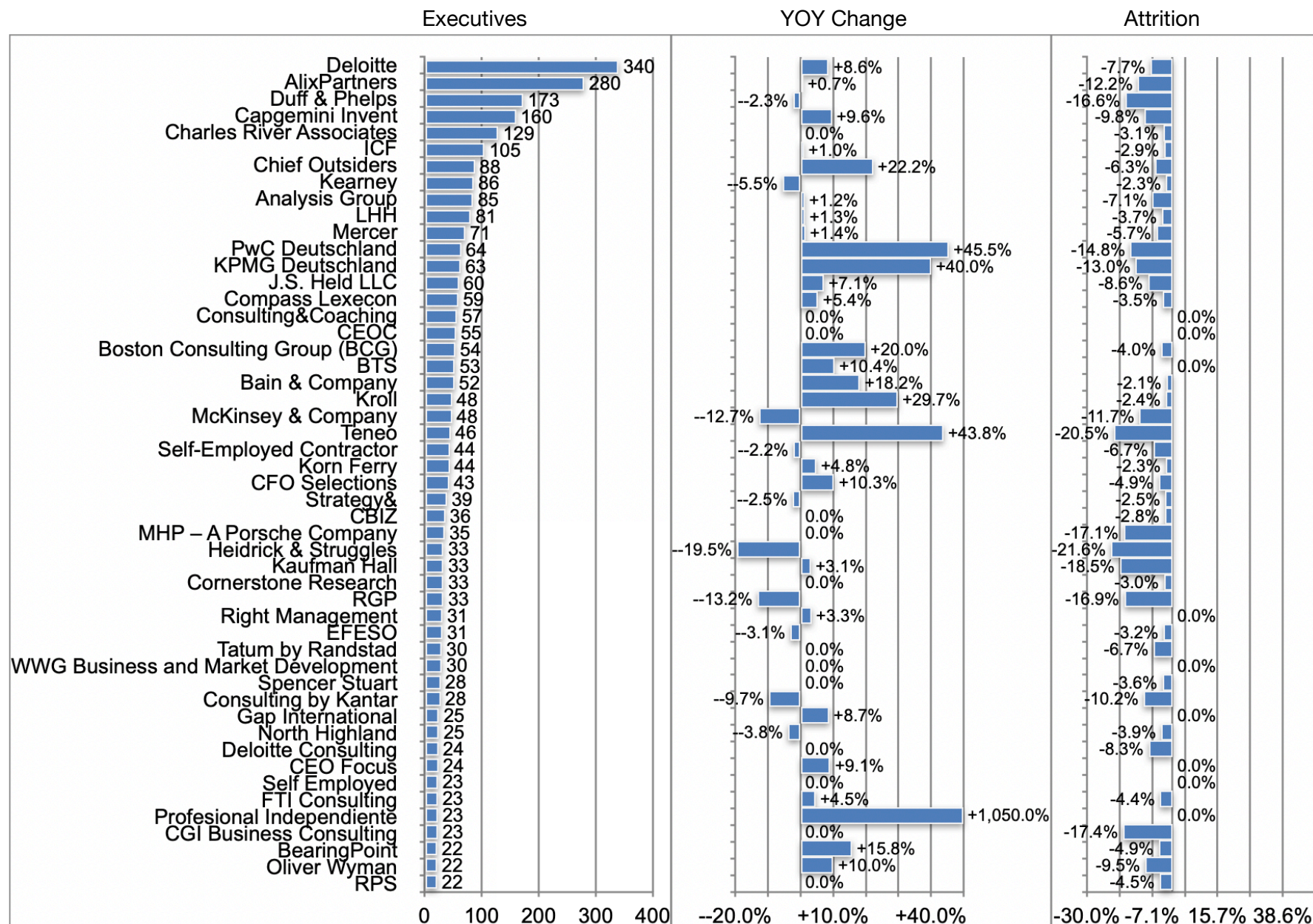
Executives in these fields are most likely to work in these top 15 locations: New York, Washington DC, Los Angeles, London, Paris, San Francisco, Atlanta, Chicago, Miami-Fort Lauderdale, Madrid, Boston, Dallas-Fort Worth, Stockholm, the UAE, and Houston.

### Chart 1: Top Industry Specializations



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Chart 2: Top 50 Management Consulting Organizations (US, EU, UK, Middle East)





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Chart 2 provides an overview of the executives employed in this industry by employer with no one employer really dominating the landscape (as we have seen in other industries). The industry is, however, a bit top-heavy in the sense that most of the executives are CEOs (typical of a relatively unconcentrated industrial landscape). Here is the hierarchy by title:

• Chief Executives	70,724
• Vice President	13,616
• Chief Operating Officer	7,975
• Chief Financial Officer	7,075
• Chief Technology Officer	2,188
• Chief Marketing Officer	1,634

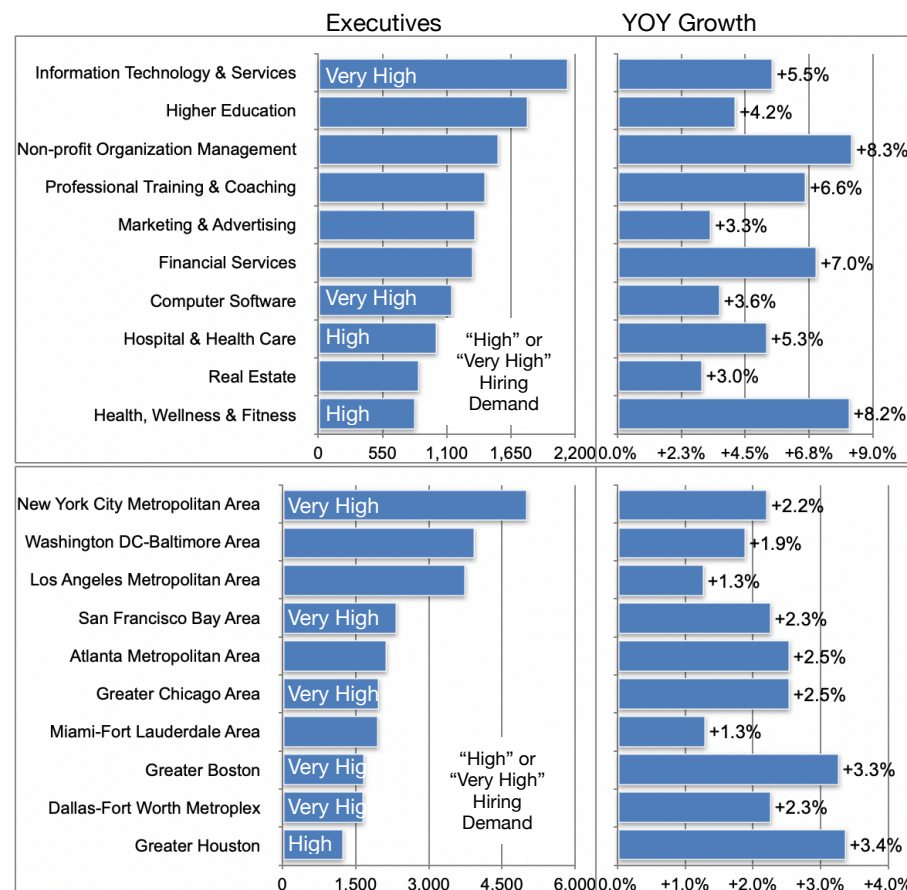
In this Update we cannot explore all of the ups and downs by company, but we can discuss some of the major changes. Take PwC Deutschland, for example, whose 45.5% headline growth belies a 14.8% attrition rate. LinkedIn lists 25 hires during the latest 12 months, 8 departures, and a net change of 17 executives. Where did they go? They joined the Fraunhofer Institute, RTL Deutschland, HHL Hamburger Hafen und Logistik, Capgemini, JRS J. Rettenmaier & Söhne, ServiceNow, and Accenture. Where did they come from? They joined from Deloitte, Cognizant, JRS J. Rettenmaier & Söhne, SBIT AG, Potiviti Deutschland, Thing-it, and a number of other companies. If you contrast that with another high-churn company in the list, KPMG Deutschland, you find a similar dynamic: 28 hires, 7 departures, and a net increase of 21 executives who joined overwhelmingly from direct competitors such as Deloitte, Capgemini, and EY, but also from firms offering specific skills such as the Technische Universität Berlin or BOWEG.

Or let us explore a company with a high attrition rate to see what is going on there, for example, Heidrick & Struggles, where attrition spiked in January and then picked up pace again during the second half of 2021 leading to a net seven departures. These executives went to Assembly, Bessemer Venture Partners, PPA Business School, Hedley May, Gryphon Investors, ING and Banff Advisors. Is this an industry segment phenomenon? Probably not, since their direct competitor Korn Ferry had a very different dynamic, with a net five hires in the same period.

This industry splits relatively evenly between the US (53,000 executives) and the EU&UK cohort (47,000). Hiring growth per LinkedIn was higher in the EU&UK (+3.3% vs. +2.2%), but the male dominance also remains similar at 69% in the US and 77% in the EU&UK. In both regions, at the global level, LinkedIn cites the growth potential as “low” though there are numerous pockets of higher growth both from a subject matter and geography perspective. See Chart 3 (US) and Chart 4 (EU&UK).

Note, we will address the Middle East separately on page 7.

## Chart 3: Specializations, Cities, Growth (US)

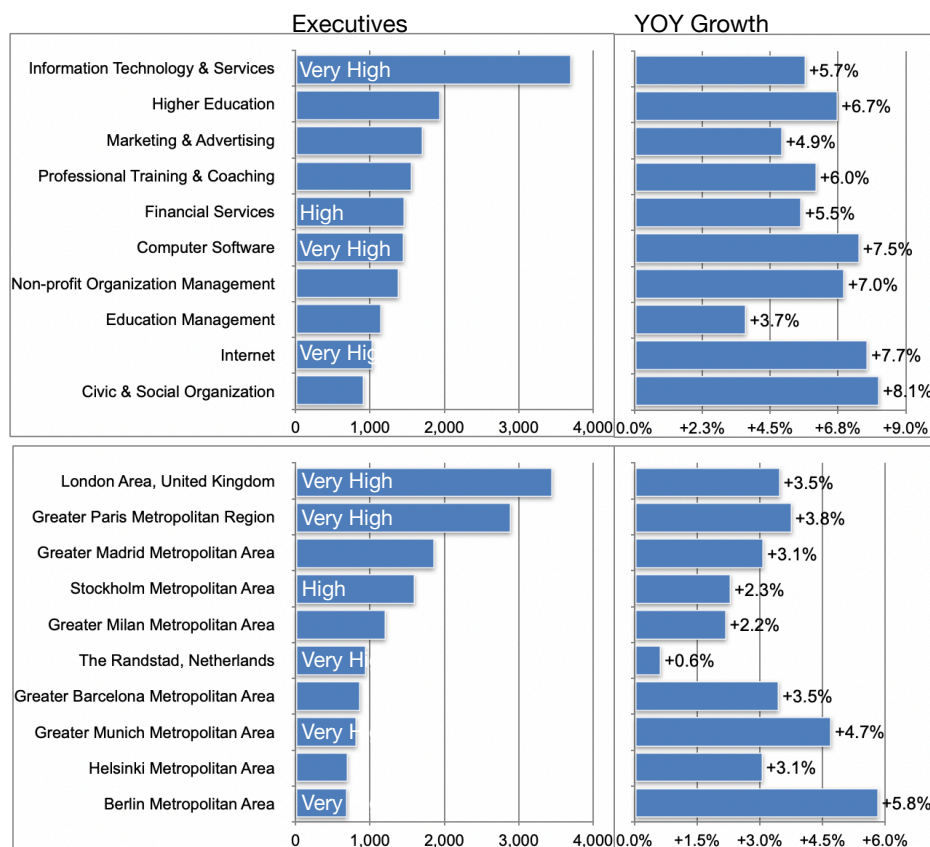


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Chart 3 examines the largest specializations in this industry in the US in descending order, as well as their respective growth rates YOY and LinkedIn's assessment of where the hiring demand is "high" or "very high." Non-profit, Health & Fitness, and Financial Services top the bill as far as growth in hiring is concerned while the geographic growth seems quite well distributed at the top of the table. Further down the ranking of cities, however, we do find Albany (+6.4%) Spartansburg (+6%), Albuquerque (+5.2%), Austin (+4%) and other cities demonstrating higher growth.

As far as the EU&UK are concerned (Chart 4), Information Technology is by far the largest specialization with some 3,707 executives, but

Chart 4: Specializations, Cities, Growth (EU&UK)



others are definitely growing faster, for example, Civic & Social Organization, Computer Software, Internet, and Non-profit Organization Management. Further down the ranking, Human Resources, Venture Capital & Private Equity, Staffing & Recruiting, Leisure, Travel & Tourism, Environmental Services, E-learning, On-line Media, Transportation/Trucking/Rail, International Affairs, and Wholesale all show double-digit growth, though this does not necessarily equate to a high or very high hiring demand going forward.

As usual, London and Paris are at the top of the geographic rankings in terms of the number of executives employed in this industry but the highest YOY growth took place in Munich and Berlin. Still, the hiring demand per LinkedIn remains high or very high in multiple cities as per Chart 4. Additionally, Frankfurt (+8.6%), Gothenburg (+7.2%), Naples (+6.2%), Stuttgart (+5.7%), and Lyon (+5.4%) all come in above the 5% YOY growth mark even if they do not belong among the top cities.

Charts 5 and 6 detail the Top Fifty Rankings in the US and EU&UK cohorts respectively, reflecting the broad range of specializations that characterize this industry, as well as a significant spread in terms of growth and attrition rates.

## Industry Success Study: Martha Anderson



"All of the Clarity Program© resonated with me. Doing the personality assessments and crafting a strategic plan was extremely useful in helping me articulate what opportunities would fulfill me and how I could bring value to an organization. My experience is of especial note because I have a background in leadership development coaching and am usually the person administering assessments. It was really nice to be on the receiving side of the benefits for a change."

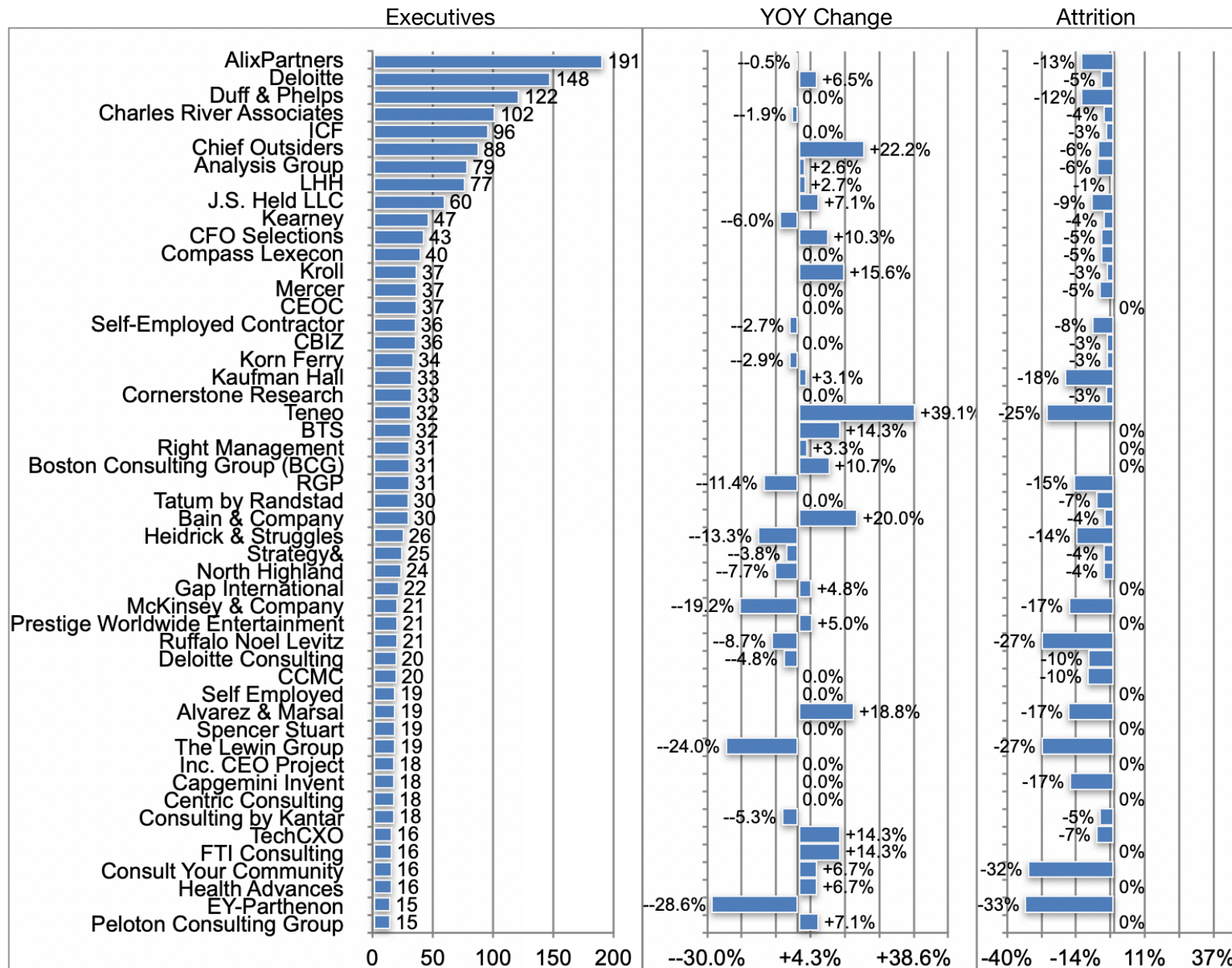
"I never thought I'd want to do contract work again, but it was an easy decision to accept this job offer. I love the work I'm doing now. Within my first two weeks I designed a whole new leadership program that was approved by the CIO."

"It was worth every penny I paid to The Barrett Group to have someone look out for me, help me with my search, and fine tune what matters to me. I knew a job like this could exist and Barrett Group helped me find it." [\[Read More\]](#)



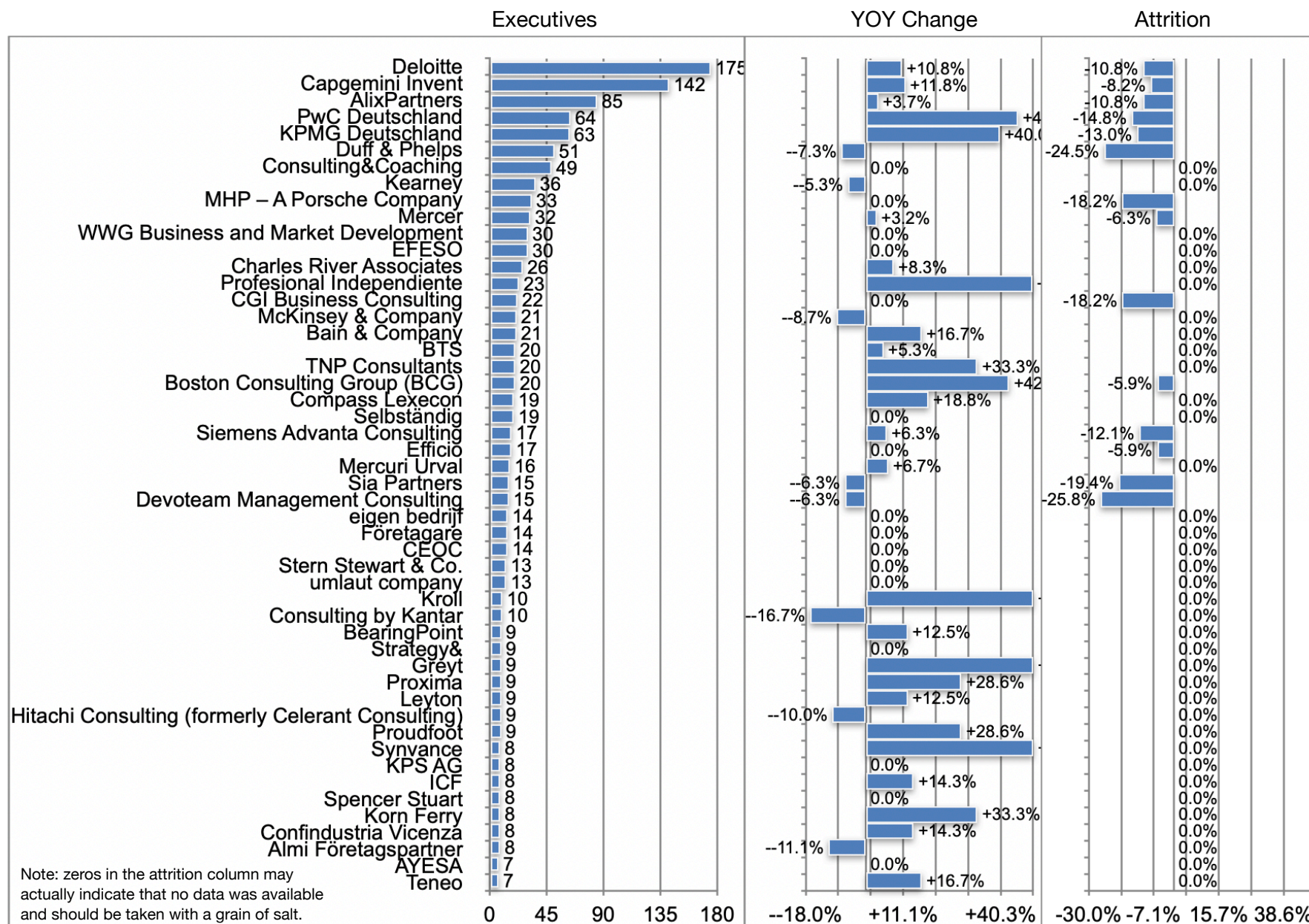
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Chart 5: Top 50 Management Consulting Organizations (US)



# INDUSTRY UPDATE: Management Consulting

Chart 6: Top 50 Management Consulting Organizations (EU & UK)





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## The Middle East

Why separate out the Middle East? The employer structure for one thing is quite different than the other geographies we have looked at, the field being even less concentrated in this region. As a result, the dynamic of having more CEOs than VPs is even more exacerbated in the Middle East, which may well represent opportunity for entrepreneurial souls interested in pursuing the top job. The industry employs about 5,600 executives in the region with an overall +3.4% YOY growth rate.

Hierarchy by title:

Chief Executive Officer	4,319
Vice President	334
Chief Operating Officer	315
Chief Financial Officer	256
Chief Technology Officer	133

From a specialization point of view (Chart 7), Information Technology seems to have been the key interest of late, for which LinkedIn cites a “very high” hiring demand in the region. Financial Services also rate highly in this regard. Only Non-profit Management has slipped into negative territory with respect to demand in the last 12 months.

As far as location is concerned (Chart 8), the UAE tops the bill in terms of executives employed in the sector while still displaying a healthy +5.6% growth rate. Saudi Arabia, Lebanon, and Jordan also share in the relatively high growth rate though from much smaller base lines. LinkedIn cites a number of locations as experiencing high or very high hiring demand as indicated at right. Note, we have also excluded Iran in this case simply because the jobs there are not as readily accessible for political and perhaps economic reasons.

We will not delve into the employers in this case because internationally known companies such as Deloitte and McKinsey & Co. have such a small executive footprint in the region (18 and 6 respectively). The Barrett Group can, however, explore all of the local employers as a part of any specific career change program.

Chart 7: Specializations, Growth, Hiring Demand

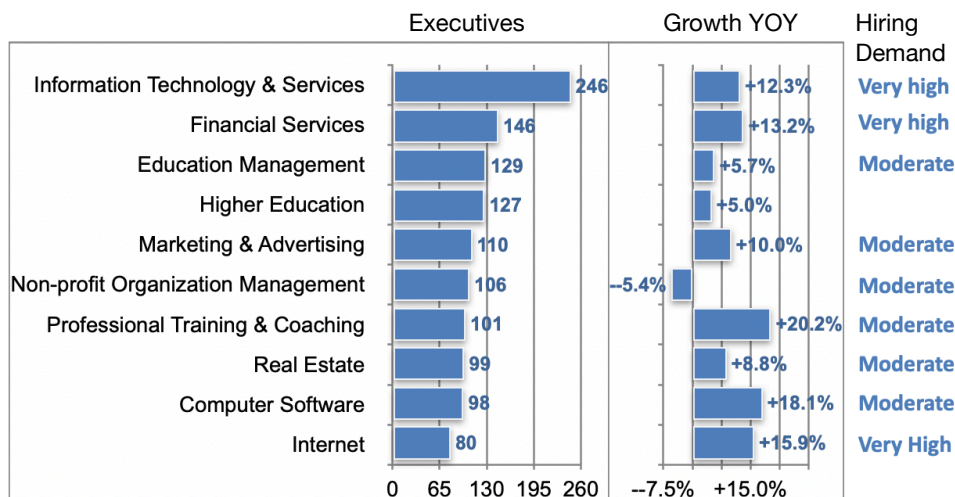


Chart 8: Location, Growth, Hiring Demand

