

UNIVERSITY OF PÉCS, FACULTY OF BUSINESS AND ECONOMICS

Different Career Paths of the Consultant Candidates - Findings of an Empirical Research

The study is belonging to the research-based papers category.

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Abstract

The education of management consultant candidates started in 1996 at the Faculty of Business and Economics at the University of Pécs. Since then more than 350 students graduated at the Management and Business Consulting Specialisation. The programme has supported the students with a strong theoretical and practical base of the different areas of consulting disciplines. On one hand they had learnt general consultancy subjects, but on the other hand they had had the chance to deepen their knowledge in project management, human resource management, strategic management, IT systems, change management, international management and organization leadership. Our department was trying to arm the students also with special skills and competencies to be more successful in the labour market. The trainings “managerial skills development” and “working groups” were focusing on improving those attitudes that make a consultant more effective in the real business life. Of course not all of the graduates have chosen to become a consultant, but we do believe that this program provides a strong base for the future careers both in advisory and in other different managerial jobs.

To monitor our results and effectiveness it is necessary to get feedbacks from the labour market and from the former students. Thus an ongoing research has started in Oct. 2008. With a 16-question questionnaire we have asked our former students about their current career. As usually more than 30% of the graduates became a consultant, we are able to depict the current situation of advisory careers started in Pécs.

In our paper we present the results of the survey bringing forward the migration willingness of our candidates, the field they are working in, the usefulness of the different academic subjects related to consultancy, the lacks of our education portfolio, the average salary of the graduated people in our specialisation, and a typical career path.

The aim of our paper is to give an impact of the Hungarian consultant's careers and to offer a comparable research method and database for international comparison.

Importance of talent management

In the knowledge economy the system of higher education is of critical importance, it can be stated that it is a strategic resource. Due to tendencies in higher education the importance of dealing with talented students comes into the fore besides mass education. As there are huge number of students, seminars and practices have decreasing importance and lectures are held for 300-500 students therefore new forums need to be created for talent management and the traditional possibilities need to be utilized on the maximum.

It supports the importance of talent management system that based on the latest studies excellent performance does not depend only on talent and abilities but it is remarkably influenced by the cognitive long term practicing as well (Ericsson et al., 2007), so managing is of critical importance (Petrány, 2009). Talent management is important from the society's and the economy's point of view (Cappelli, 2008) and it is essential for the company as well, as the future of the company can depend on it, surviving can only be ensured by fostering excellent managers.

Talent management has a great importance according to the human resource management of companies (Cappelli, 2008) and the education at universities. It is necessary for the employers to get the useful skills on the labour market, when they need it. In this process the first step is the educational system, where the employees of the future have the chance to extend their talent, knowledge and skills. Universities play a significant role in this development with their educational methods, techniques, structure of the lessons, and system of knowledge transfer. Referring to this we will present the example of Management and Business Consulting Specialisation at the University of Pécs at the Faculty of Business and Economics.

Opportunities and tendencies in the Hungarian labour market

It is a general conclusion of an up-to-date research made in Hungary by Hewitt¹ that the young graduated people have higher expectations than their real possibilities and the economic crises force them to be more flexible than they would ever thought. A possible problem is that the young graduates overestimate their value on the labour market. The economic crisis has a serious effect on the opinion of the fresh graduates: they prefer the safety and stability more than previously. Further interesting data according to the research of Hewitt are that only 30-50 % of the students of the University of Pécs could find a proper job for themselves in the region (South-Transdanubia) and 50-70 % should go to other regions (especially to Central-Hungary). (Zeisler-Zsély, 2009)

According to career management it is important to have career objective during the university years and to have the opportunity to specialize the knowledge and the skills towards the successful implementation. (Mártonffy, 2009) The role of career consulting in this field is crucial. Therefore the career offices in the universities could help the graduates to analyze their skills and abilities and to have a proper career aim at the beginning.

The Management and Business Consulting Specialisation

At the University of Pécs at the Faculty of Business and Economics the education of management consultants started in 1996. Until 1990, the change of the regime, either state owned companies were responsible for advisory, or university teachers, professors were source of professional leadership knowledge for the companies. The whole structure, political and economic system of the country, especially the planned economy did not let any space for the classical management consultancy industry. But after 1990 new market structures were rising and the lack of talented, trained consultants occurred. The University of Pécs realised this opportunity and set up a new master program for economists in 1996. Since then 16 classes have finished their business consulting studies

¹ The research was developed by Hewitt during the first 2 months of 2009, 20 thousand people were asked about their conceptions of the labour market (among them were mainly university students, employees in the early career).

both in MSc and in MBA on full-time and part-time as well. This means more than 350 graduates on this specialisation². The aim of the specialisation is dual:

1. To prepare the students for consulting jobs and to issue well trained input for management consulting (MC) companies.
2. To introduce and endear MC as a profession and as a helping hand for the current and following leaders, managers, to awake the interest for the advisory.

To reach these goals, students are taught in the following structure, during the two years of education (they learn these subjects):

- Management consulting I.-III.: This discipline leads the students into the basics of advisory. After the definitions and the process of the consulting they become acquainted with the special fields of management consulting. These business areas are taught mainly by senior consultants of MC firms. To get a deeper view of the business we teach the students how advisory companies function, what is the usual structure, what marketing methods they use, etc. In the second semester the main project is to compare two MC companies after a factory visit. In the third semester students get a real consultancy problem that they have to solve for the clients. Both company projects are controlled and led by a group leader teacher and a contact person from the company.
- Developing managerial skills: This is a training, partly coaching based subject, where students are able to get themselves known better, to learn how to solve conflicts, how to evaluate subordinates, etc. They do it via games, role plays and special training methods.
- Project management: As consulting is mainly project based and even more and more projects are occurring in the traditional company structures too, it is necessary to know the planning, the leading and the controlling tools, practices of the projects. Students also learn project management methods, such as the Gantt diagram or process modelling.

² This program is a specialization of the management and leadership program.

- Change management: This seminar is a mixed one. After two lessons of theory, guest lecturers come from different companies to illustrate the changing process of their organization. In a meanwhile students work on their second consulting project at a company.
- Corporate information management: There is no decision making without IT systems nowadays. The business process is usually supported by software. And this is especially true in the case of MNCs. IT is one official field of MC. That is why it is necessary to teach these systems for the students.
- Upon the above mentioned subjects students are also learning: Organizing and leadership, Communities and workgroups in the organization, Human resource management, strategic management, Planning EU projects, International management, and general economic subjects.

The result of the survey

To get a review on the results of our education program, to know in which measure we reached our first goal and to analyze the current employment situation of our former students, the department has started a web-survey questionnaire. The structure of the survey was the following:

- general demographic questions (gender, year of graduation on the specialization)
- questions regarding the first workplace after graduation (field, position and salary of the first workplace)
- questions regarding the current workplace (field, sector, place and salary of current workplace)
- the usefulness of the education on the University of Pécs (most useful subjects, relations with former classmates, missing subjects, skills of the education).

The recipients of survey were based on our database with the email address of the different class members. We had sent a call for filling the online survey form for the classes from 2001-2008. Finally we got 65 answers that we were able to evaluate.

Table 1: Year of graduation on the Management Consulting specialization

		Frequency	Valid Percent
Valid	2000	10	15,4
	2001	8	12,3
	2002	5	7,7
	2003	9	13,8
	2004	3	4,6
	2005	1	1,5
	2006	9	13,8
	2007	15	23,1
	2008	5	7,7
	Total	65	100,0

Comparing the number of answers and the structure of the sample to the number of the graduated students of the specialization we could realize that, the sample represents correctly the whole group between 2001-2008. Unfortunately we have a low number of answers from those people graduated in 2004 and 2005.

First workplace

The orientation towards management consulting and towards the profession – both in science, education and in relationships with the players of the advisory market – results that the interest towards management consulting is strong among the graduates of our specialization. More than 1/3 of them have chosen this profession for their first employment. Human resource management, the other strong competency of our institute is also in the first three target fields.

Figure 1: The field of your first workplace

		Frequency	Valid Percent
Valid	consulting, advisory	22	37,3
	marketing, sales	5	8,5
	human resource management	5	8,5
	finance, banking	5	8,5
	management	4	6,8
	trade, commerce	3	5,1
	other	3	5,1
	logistics	3	5,1
	R & D	2	3,4
	production	2	3,4
	education	2	3,4
	bookkeeping, accounting	2	3,4
	controlling	1	1,7
	Total	59	100,0

As we expected most of the graduated students were starting their career as subordinates. However, the number of middle managers is high, almost 10%. As the Faculty of Business and Economics of the University of Pécs is the first-second best business school of the country (2007) we assumed that these students have a greater possibility to start their career on a higher level. These results were confirming this assumption (Table 2: 2).

Table 2: The position of first workplace after graduation

		Frequency	Percent
Valid	top manager	1	1,5
	middle manager	6	9,2
	group manager, line manager	2	3,1
	subordinate	56	86,2
	Total	65	100,0

We also asked the amount of the first gross salary of the respondents after graduating at our University. As the same gross salaries in the different years did not have the same purchasing power we modified the data with the Customer Price Index and equalised the salaries to the 2008 level. Thus we are able to see the first gross salaries as they were from 2008. The results are shown below (Table 3: 3). The starting salaries of our students are around 900 EUR, but it varies from the lowest 275 EUR to the highest 1920 EUR.

Table 3: First salary modified with CPI

	Results in HUF	Results in EUR
Mean	259 095	896
Median	257 823	891
Range	475 500	1644
Minimum	79 575	275
Maximum	555 075	1920

Among the consultants the average first gross salary was 964 EUR, which is 70 euro extra comparing to mean of the whole sample.

Figure 2: Gross salary at the first workplace yearly, (modified with CPI) in EUR

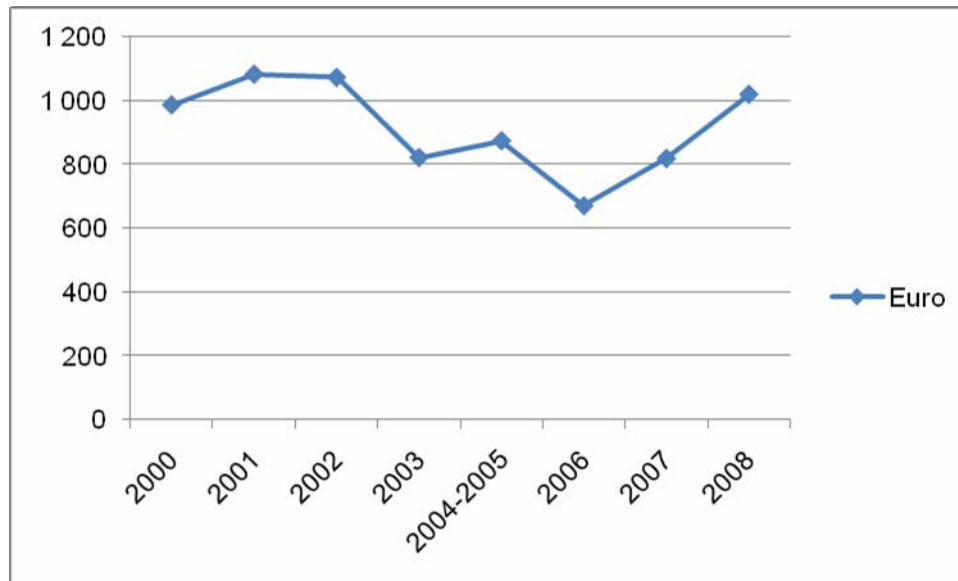


Figure 2 also shows an important fact. It seems that rising gross salaries of the entrants stopped in 2003 and depicts a sharp fall till 2006 where it started to rise again until 2008. Regarding the research of Poór and Fodor³ (2009) and the effects of the global financial crunch, we say that 2009 will be a decreasing phase again till 2010, 2011.

The current workplace

Due to the Hungarian tendencies (the capital city Budapest is absorbing the well educated young graduates) more than 55% of the former students work in Budapest now. Regarding the international literature we might say that universities could be the engine of the regional development with spin-off companies, with the advantages of strong, local, tacit knowledge and with R&D (Varga, 1998). In case of Pécs the situation is different regarding the only 25% rate of staying students. The other important fact is that only 3 percent of the respondents are working abroad. International work migrations are not popular for our graduates.

³ The results of the research „The result of the global crisis to the management, HR and compensation in Hungary, Romania, Slovakia and Bulgaria” shows that, most of the companies will rise the salaries around two percent, that will be below the C.P.I.. Many of them are even not planning to increase the payments.

There is an assumption between the students that consultancy is a good starting point of the career. They believe that after 2-3 years of working in an advisory company they gain enough human, knowledge and financial capital to quit and start to do something else. However Table **Fehler! Verweisquelle konnte nicht gefunden werden.** shows that they do not follow this rule. More than 70% of those respondents stayed in the profession, who have started here and 50% stayed in consultancy after 3 years too. On the flip side only 8 % of the respondents were changing the profession to consultancy from something else. This means, the graduates starting in a different industry rarely change their profession to MC.

Table 4: The field of current work in the case where the first field of work was consultancy

		Frequency	Valid Percent
Valid	consulting, advisory	16	72,7
	marketing, sales	2	9,1
	other	2	9,1
	human resource management	1	4,5
	management	1	4,5
	Total	22	100,0

As it was expected, the gross salary and the year of graduation correlate with each other. Regarding the consultants we identified a strong positive correlation (Cramer's V: 0,707 sig.lev: 0,015) among the two variables.

Table 5: The gross salary of the management consultants graduated in Pécs in 2008, by graduation years

Year of graduation on the Management Consulting specialization?	What is your current gross salary?							Total
	345-690 EUR	690-1035 HUF	1035-1345 EUR	1345-1730 EUR	1730-2600 EUR	2600-3460 EUR	above 3460 EUR	
2000						5,3%	5,3%	10,6%
2001						10,4%		10,4%
2002						5,3%		5,3%
2003		5,3%			10,4%			15,8%
2006				10,4%				10,5%
2007	10,4%		15,8%	5,3%				31,6%
2008		5,3%	10,4%					15,8%
Total	10,4%	10,6%	26,3%	15,8%	10,4%	21,2%	5,3%	100

The usefulness of the education and the university years

This part of the result could be divided into two parts:

- the acquired knowledge and the skills of the students,
- the gained human, relation capital during the last two years.

In their last four semesters, the students had to study different disciplines related to management, HR and consultancy topics. We are only able to measure the real feedback of the usefulness of these disciplines when the graduates start using their knowledge. The value of a subject is evaluated by the users when they are working with them in the everyday processes. Table 6 depicts which subjects the students found as the most useful.

Table 6: One of the most useful subjects during the specialization period at the university was (it was allowed to mark more answers)

Name of subject	Yes
	%
Management consulting	60,60%
Developing managerial skills	60,60%
Project management	39,40%
Change management	34,80%
Communities and workgroups in the organization	31,80%
Human resource management	22,70%
Strategic management	22,70%

The high positive result of the management consulting subject was significantly influenced by the field where the respondents are or were working. The crosstab analysis showed that there is a moderately strong relationship (Cramers's V: 0,556 at 0,084 sig. level) between the work field and the management consulting subject. The average "yes" answer of this discipline was around 60 %, but the respondents working in the consultancy found this subject more useful (85% of the answers were yes). The same situation was not occurring regarding the other leading subject, the developing managerial skills topic. We have found no significant correlation with field of work and this subject. It means that this training method based seminars were useful for most of the students.

We do believe that in the turbulently changing environment the managers and the consultants have to have new knowledge, models, methods and techniques. That's why the education of the next leader and consultant generation has to be shaped to the new business climate. To be able to identify the weak points and the improvement needs of the programme, we asked the former students to name and identify the missing subjects, skills, that the education was not able to provide them.

One key point was the missing information technology training of the students. Depending on the need of the current workplace, the respondents were missing SAP, Oracle

Microsoft Project, Visio, different statistical software etc., in use. However the students have at least two practical consulting projects, that last for a semester during their last year, the respondents were still missing more case studies and, project experiences. During these events they required to get more consulting methods known. Upon the professional knowledge, a few skills, mainly business correspondence, communication related topics were also named. Different consulting related topics, such as CRM, BPR, BCM, IT or sector specified consulting methods and techniques as missing knowledge were also identified.

Before the survey we thought that friendships, the human relations bounded during the university years will go with the students along their career and they will keep in touch with their mates. However the result shows something different (Table 7: 7). The average management and consulting specialised student of our faculty keeps only two contacts from the former relations. It seems that most of these university connections ends after graduation, and the students does not gain enough from this network.

Table 7: The relations kept from your former university specialization class (min. 1 contact per month)

N	Valid	56
	Missing	10
Mean		3,39
Median		2,00
Mode		2
Minimum		1
Maximum		23

Conclusions

First of all we conclude that the first aim of our educational programme is satisfied regarding the field of their first job. This specialisation produces well-trained young

consultant candidates who match the needs of the consultancy labour market. The goal of introducing and endearing MC for the next generation of leaders, managers as a profession and as a helping hand and to build the advisory market was not provable with this survey.

Graduated people starting career on the field of consultancy will stay in this professional area for a longer period. But those who started in another field rarely changes to advisory. The salaries of the fresh consultants are significantly higher than those of the other fields, therefore the consultants are appreciated members of the business society. The gained relation capital on the university is not totally exploited. Furthermore we realized that the research produced a lot of experience, ideas to develop the education.

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