



October 2013

Consulting HR Market Report

Salaries, Satisfaction and HR Trends

Consultancy.nl Berenschot

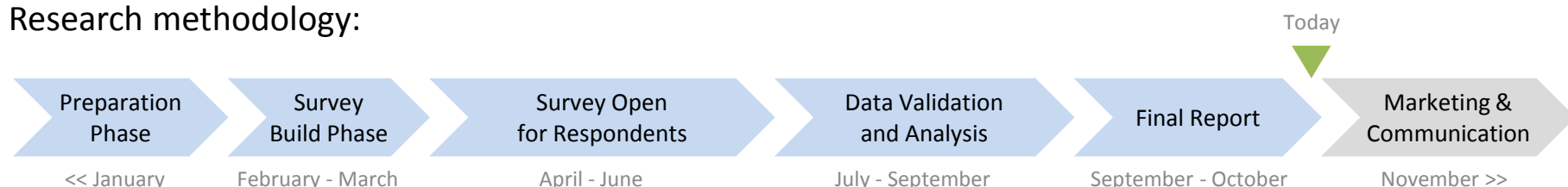
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Introduction

In this report you can find the results of the ‘Consulting HR Market’ research. It is the first time that comprehensive research has been performed on compensation & benefits and other HR trends specifically for the Dutch consulting sector. We hope that the research proves valuable for you – whether you are a consultant, partner, staff professional or student with the ambition of joining the market.

Research methodology:



- The survey was distributed through Consultancy.nl channels – mailings, network, website, newsletter and social media
- Consultants participated with the research on own title, the research is independent from consulting firms
- In total 1,124 respondents filled in the survey. After a thorough process of data validation (including filtering of target audience, data completeness, consistency and quality), the population size has been set at 717
- The population only includes consultants that have a fixed employment contract at a consulting firm, it excludes freelancers
- Note that some findings may be coupled with low(er) statistical validity. It is advised to interpret the data in a prudent manner

We would like to thank all participants and consulting firms that have actively promoted participation among their employees. For any questions on the research: info@consultancy.nl.

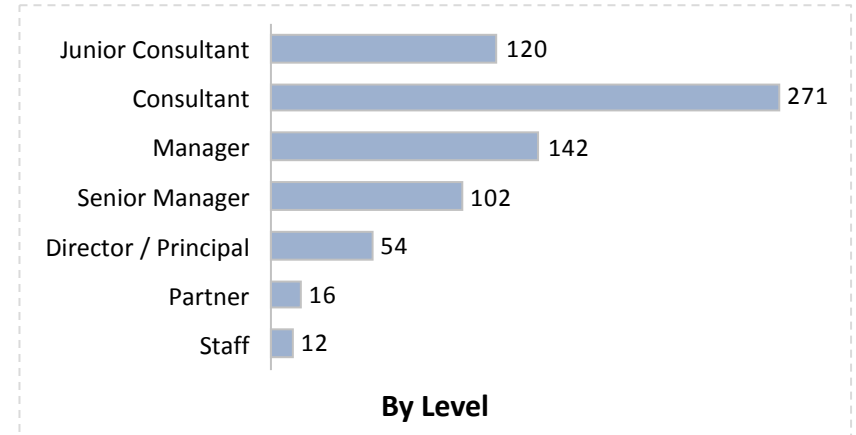
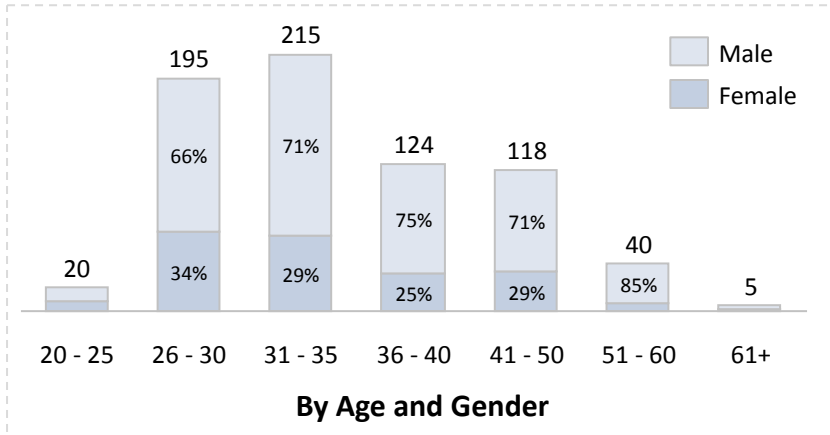
Larry Zeenny
Consultancy.nl

&

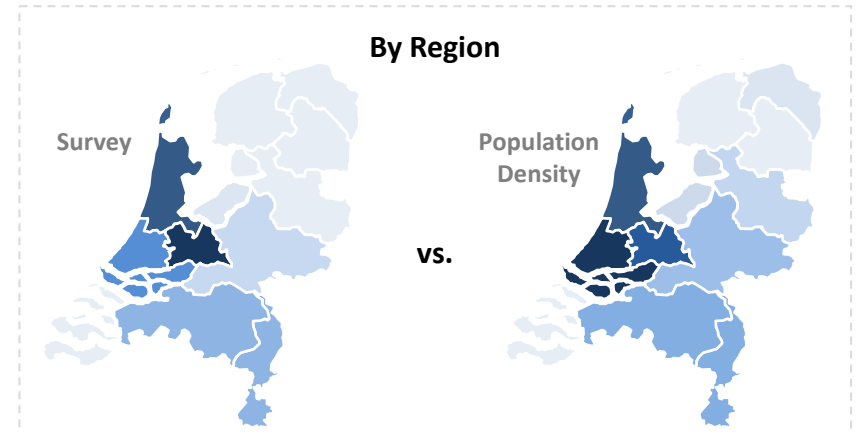
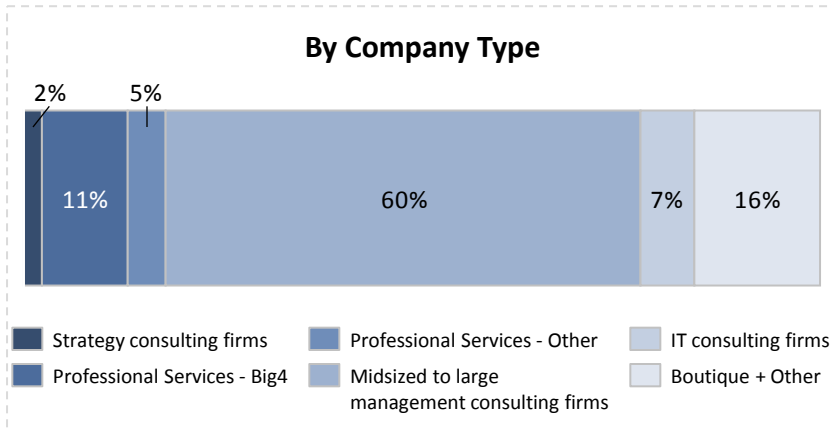
Hans van der Spek
Berenschot



Demographics



The respondent base of the research is sufficiently large and representative to accurately draw general conclusions on salaries, trends and other developments...



The background of the slide is a composite image. It features a low-angle shot of a modern glass skyscraper reaching towards a bright blue sky filled with soft, white clouds. Numerous 100 Euro banknotes are scattered throughout the scene, appearing to float or fall from the top. The banknotes are shown from various angles, some partially overlapping, creating a sense of dynamic movement. The overall color palette is dominated by the blue of the sky and the green and yellow of the Euro currency.

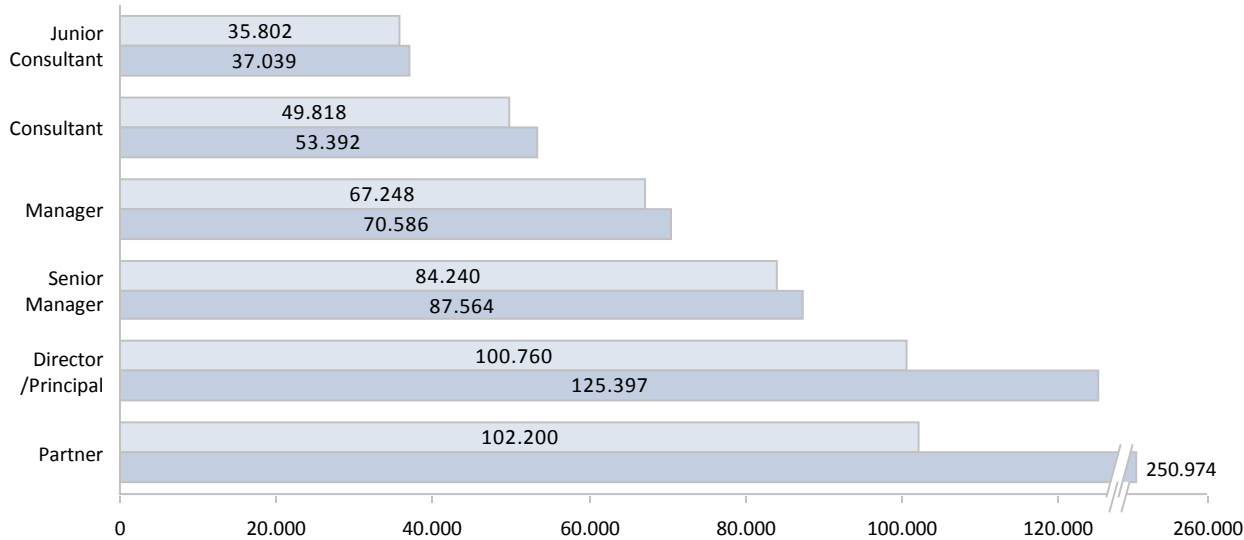
Compensation & Benefits

Compensation & Benefits

Total salary by level and age

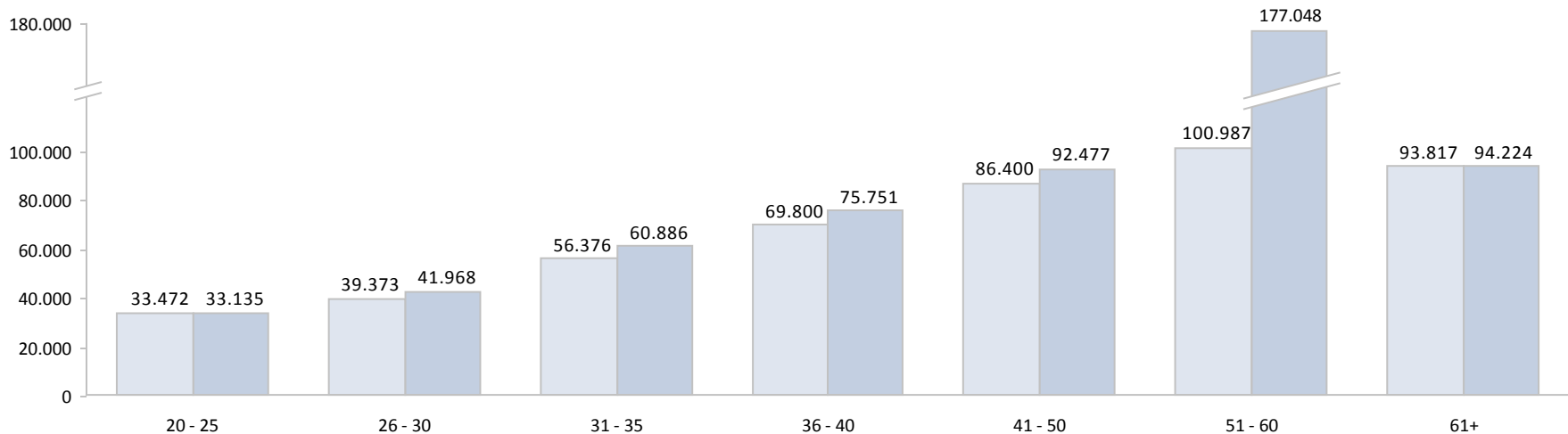
Total Gross Annual Salary = Base salary (1 FTE), extra financial payments*, holiday allowance and variable bonus. Excludes reimbursement of expenses.

Total Gross Annual Salary (€ / by function)



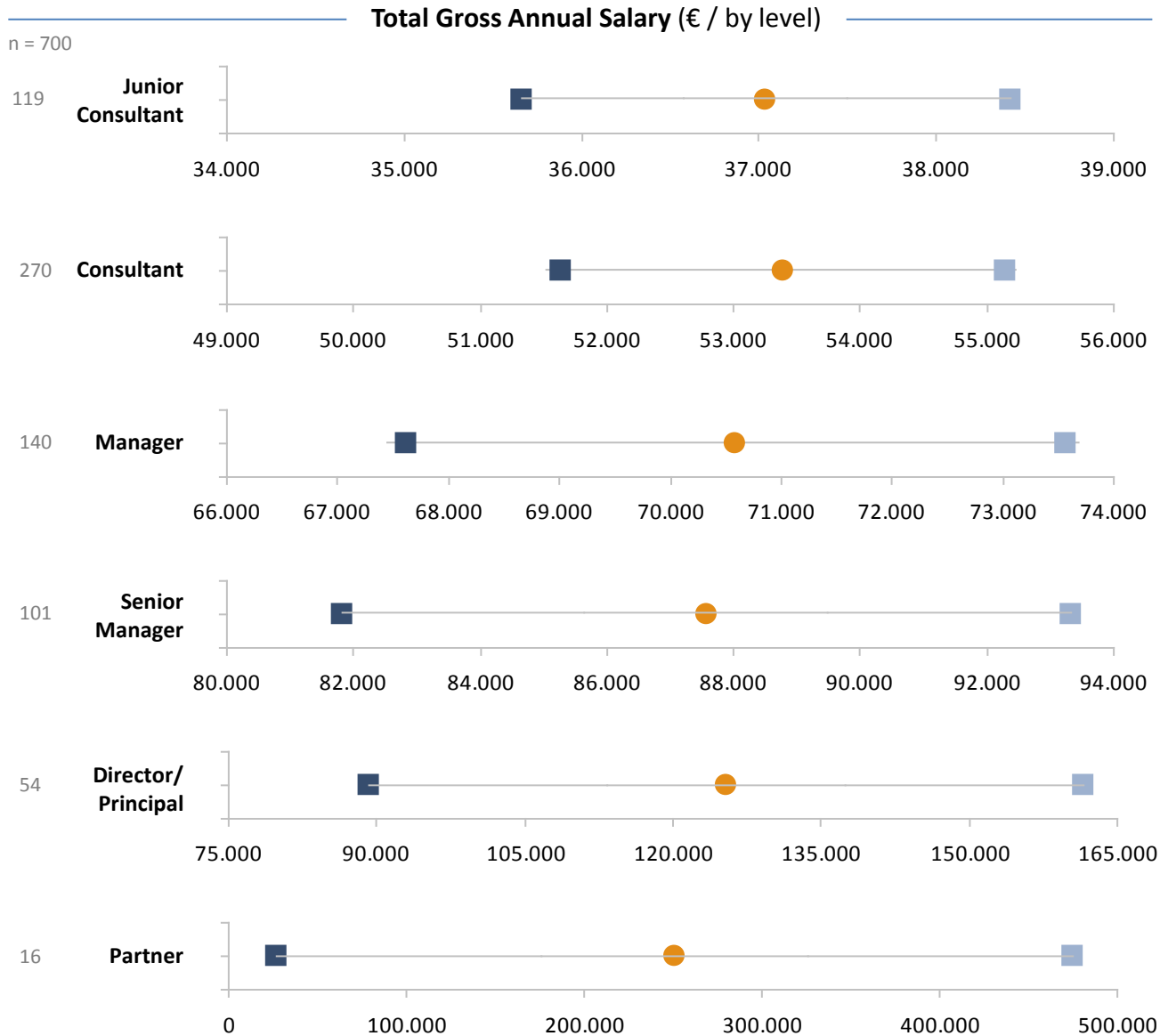
- The median salary for a starting consultant is €35.802
- Indicative rule of thumb: promotion from one level to another leads to a salary increase of roughly between €14k - €17k
- Salary differences between median and average are largest in the Director and Partner levels

Total Gross Annual Salary (€ / by age)



Compensation & Benefits

Total salary – 95% confidence interval



The intervals present the salary range per level, based on a 95% confidence interval.

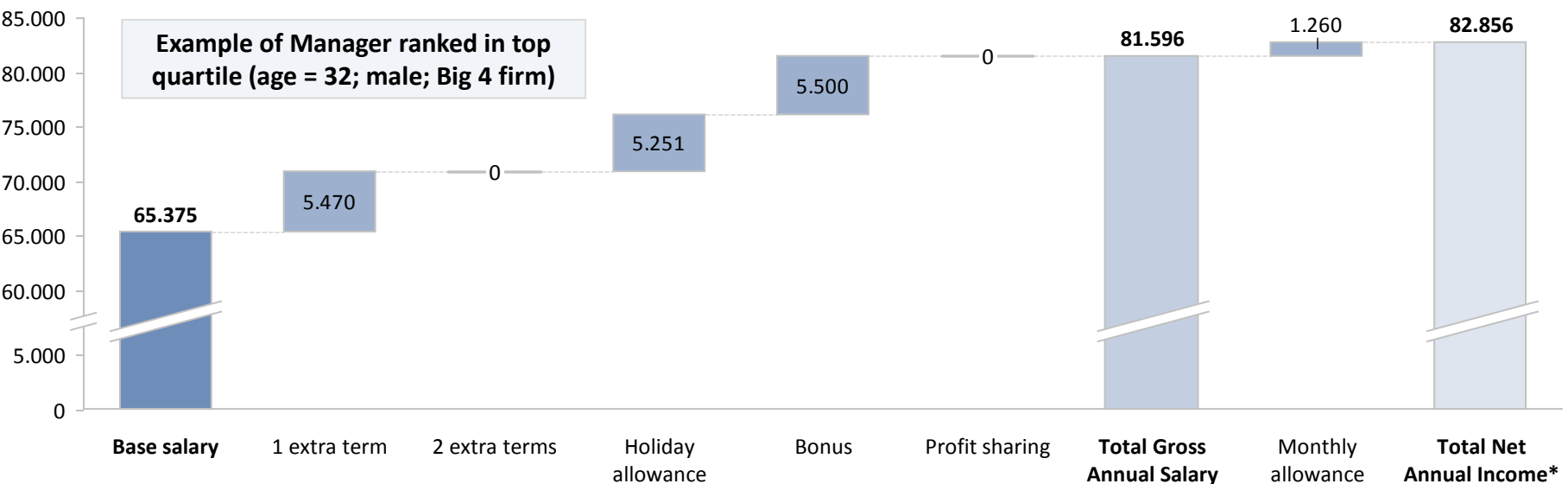
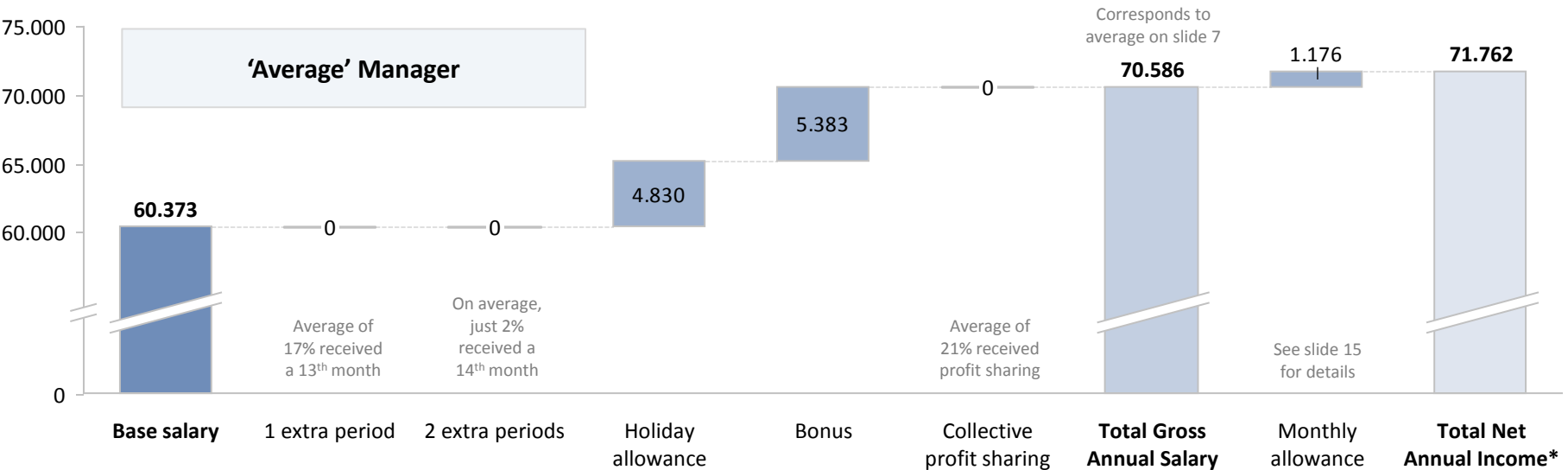
- Example: With 95% confidence it can be stated that an average Manager earns between €67.613 (Low) and €73.560 (High). The Mean corresponds with data on slide 8.
- As data move up the ranks, the population size (n) declines and the variance increases, leading to larger intervals given the same 95% confidence level



Compensation & Benefits

Total salary breakdown: 'Manager' example

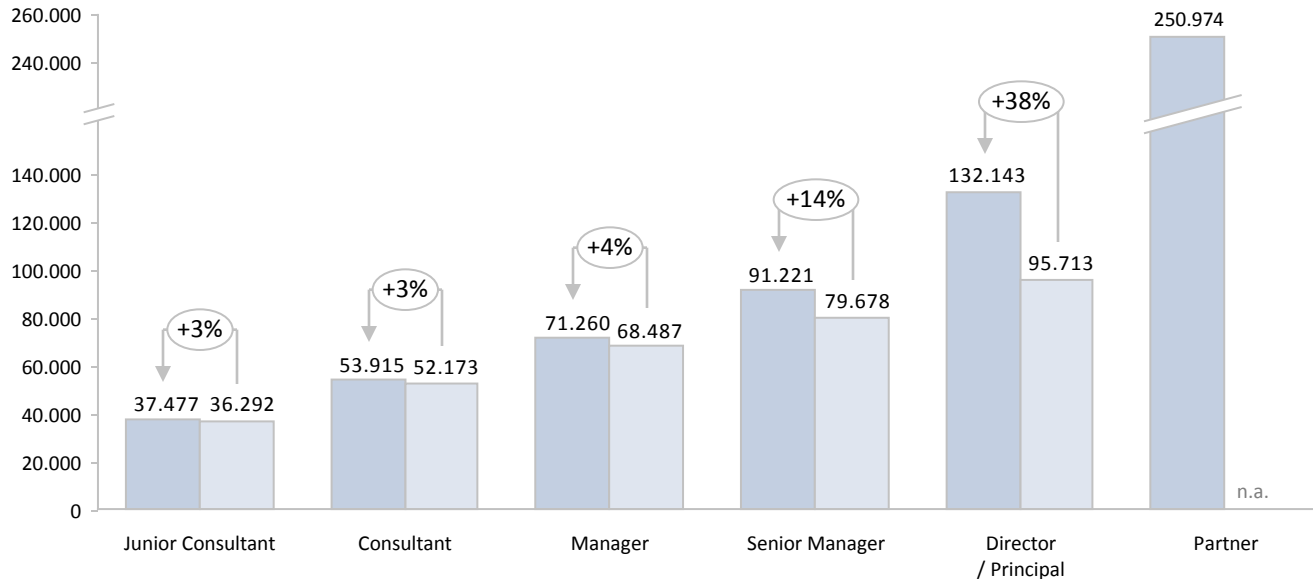
n = 140



Compensation & Benefits

Total salary by gender

Total Average Gross Annual Salary (€ / by gender)

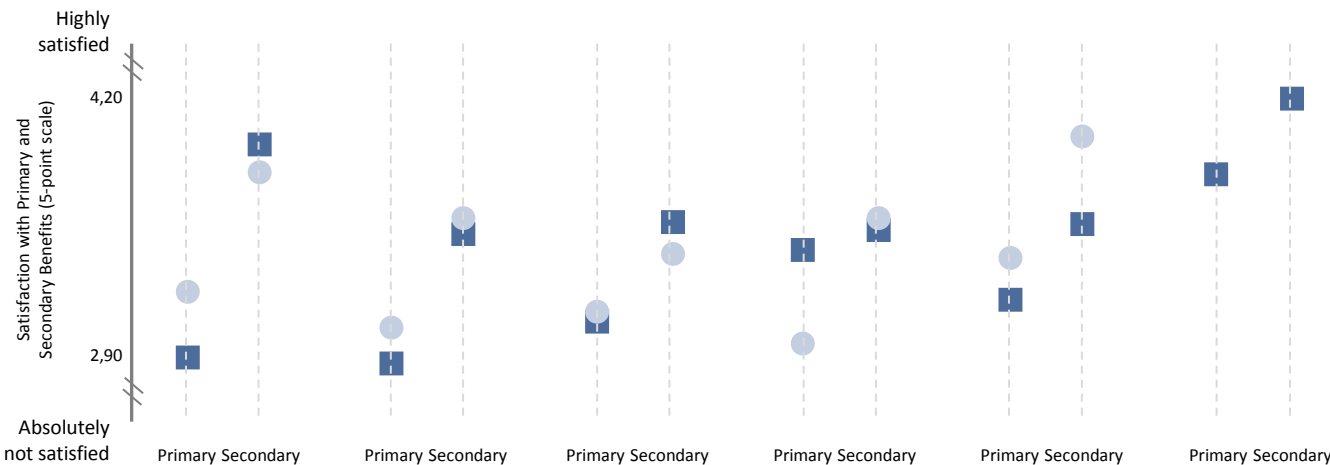


- In all levels, male respondents have a higher average annual gross salary
- The pay difference between gender increases with seniority
- A higher variable pay is the main reason for pay difference, with the exception of the Senior Manager level

Male
Female

Main reason for difference:

Variable Pay Variable Pay Variable Pay Base Pay Variable Pay n.a.



- Overall, consultants are more satisfied with Secondary benefits compared to Primary
- The difference in gender pay gap does not necessarily translate to a gap in satisfaction
- At Senior Manager level, women are considerably less satisfied about base pay

Compensation & Benefits



Total salary by firm type

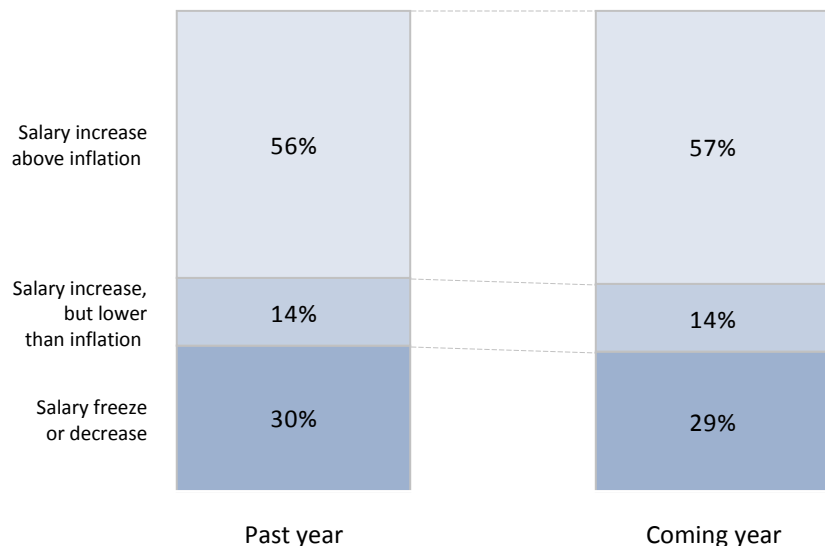
- Total annual gross salaries are highest at the well-known strategy consulting firms
- Big Four firms 'underpay' in particular in the middle-experience range (Consultant and Manager level)
- Salaries at IT consulting firms are in the early career levels on par, at experience levels they lag peers
- Remuneration at boutique firms and other players is generally in line with the market average

Total Average Gross Annual Salary by level (€ x 1.000)





Overall change in base salary

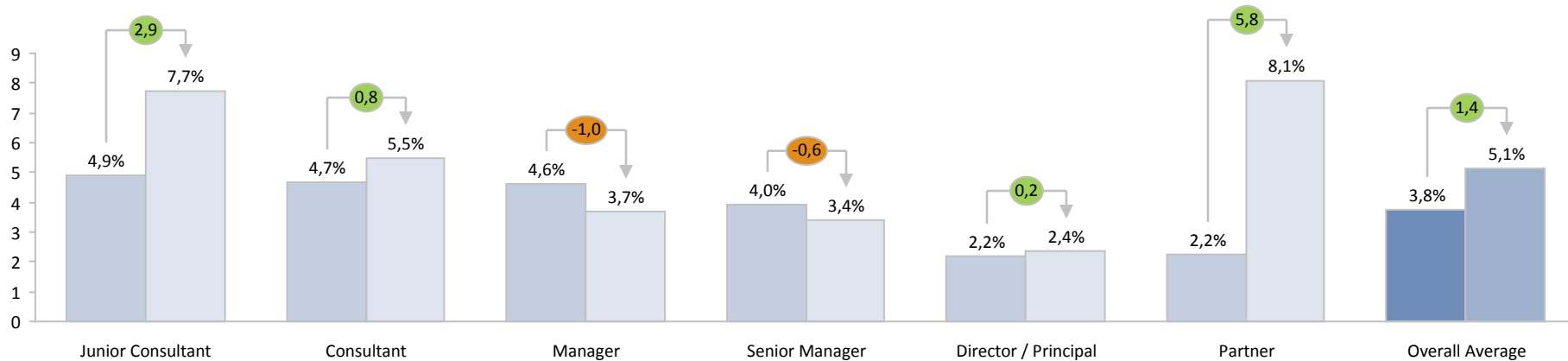


- Over the past year, 30% of consultants were faced with a salary freeze. 56% received a salary increase above the level of inflation*.
- Expectations for changes in base salary are roughly equivalent for the coming year
- On average, base pay over the past year increased by 3,8%. Expectations for coming year are 1,4% higher
- Over the past year junior levels and partners on average saw their base salary increase. (Senior) Managers on average faced a decrease in base salary

* inflation assumed to be 2,4% (CBS)

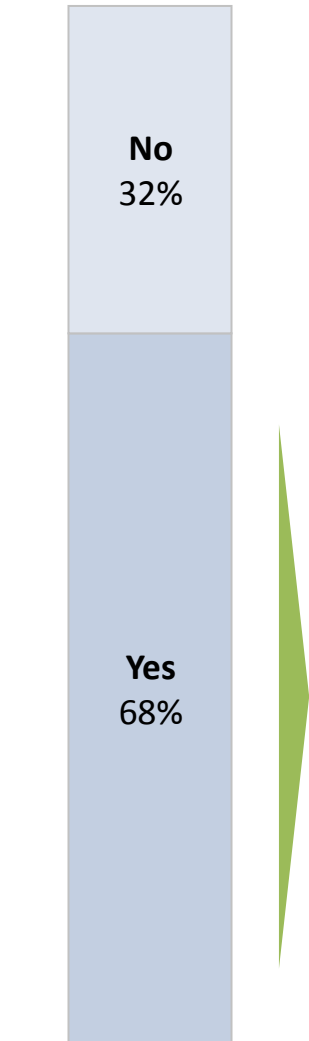
% change in base salary per level

Note: Changes in base salary are based on both collective (eg. corporate salary framework) and individual progression (eg. promotion) in salaries

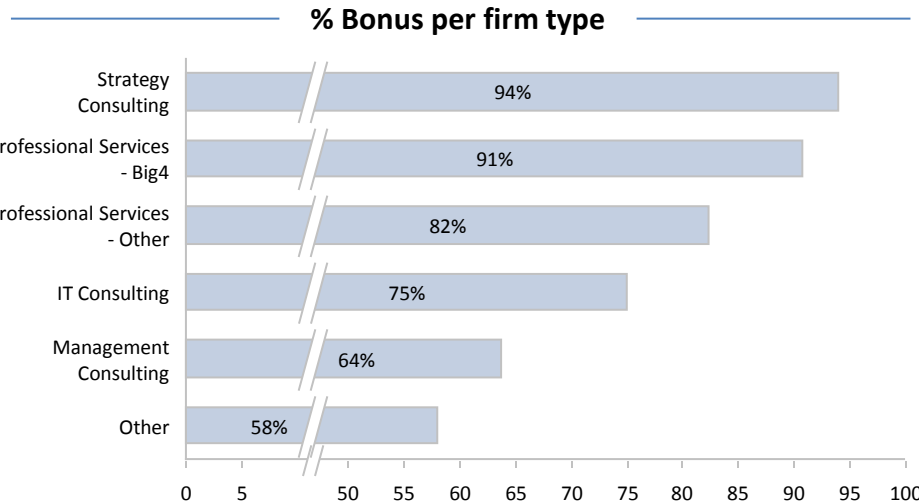


Compensation & Benefits

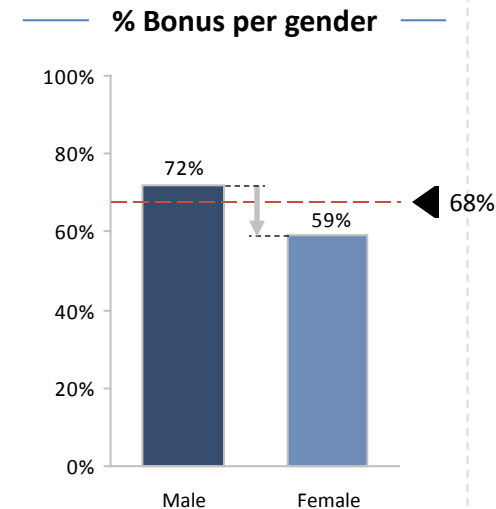
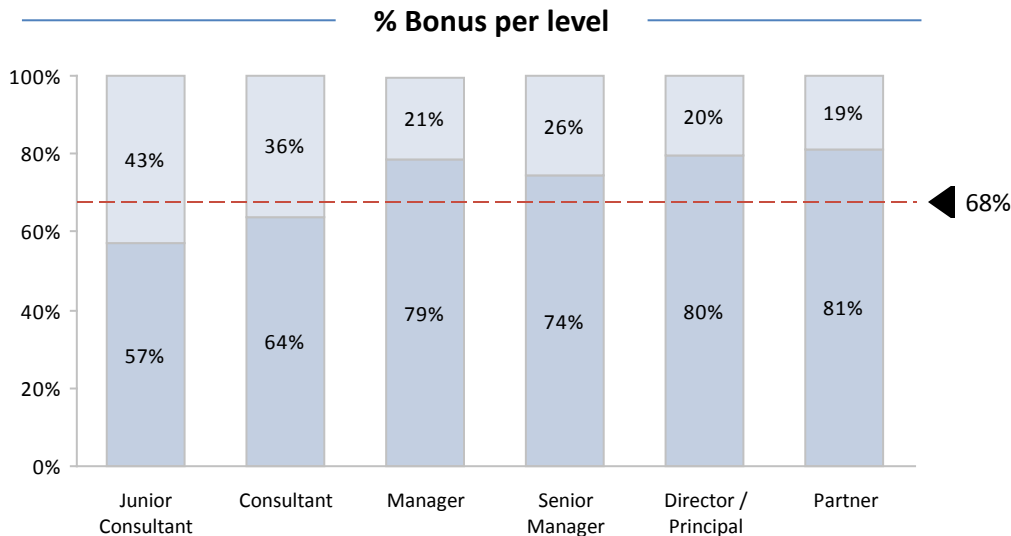
Bonus



Received a bonus over the past year?

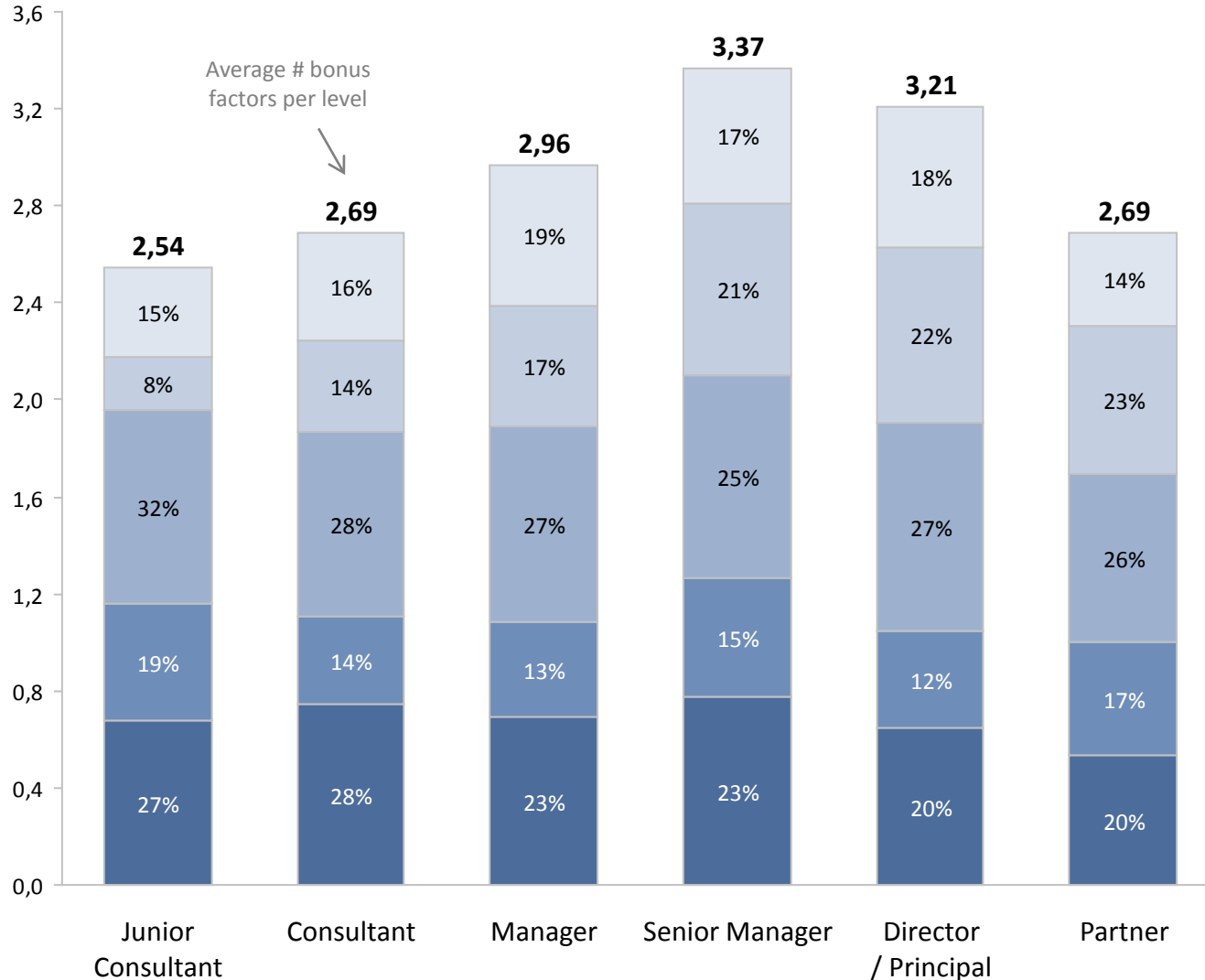


- More than 90% of consultants at strategy consulting firms and the Big 4 received a bonus
- A substantially lower % of junior levels received a bonus
- 72% of men received a bonus, compared to 59% of women
- Note: analysis only looks at if a bonus was received, not at the size of the bonus paid





Determinants of bonus per level



- The bonus of a Junior Consultant is on average dependent on 2,54 factors. Moving up the ranks, the number of criteria increases.
- At junior levels, most respondents indicate their bonus is dependent on chargeability and firm / department performance
- The importance of Revenue Sold increases from level to level
- Non-financial targets are for nearly all levels the factor that is mentioned least by respondents

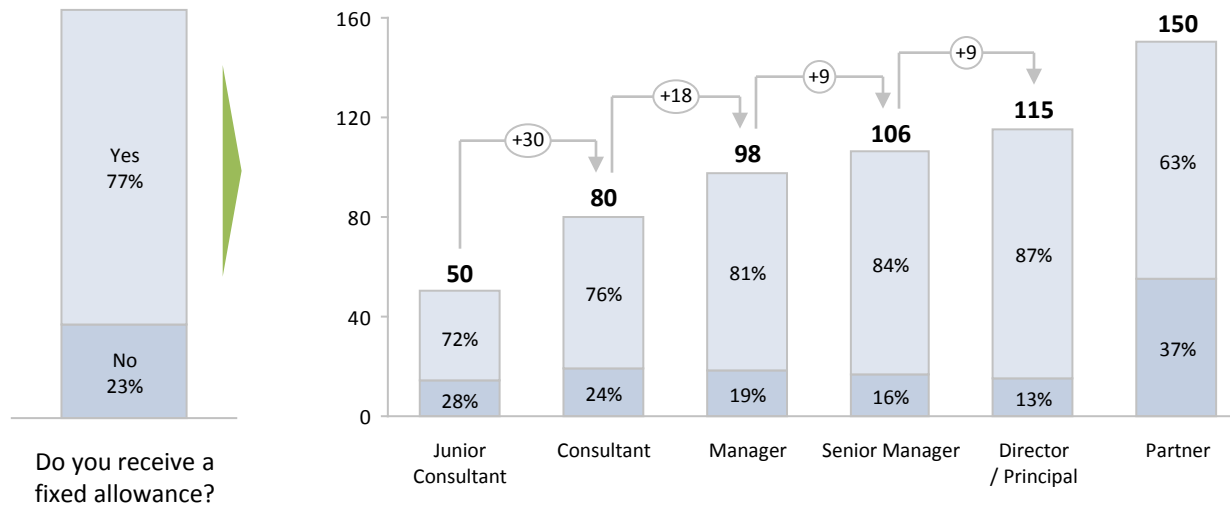
Relative importance of factor

- Non-financial targets
- Revenue sold
- Performance of company
- Performance of department
- Chargeability

Compensation & Benefits

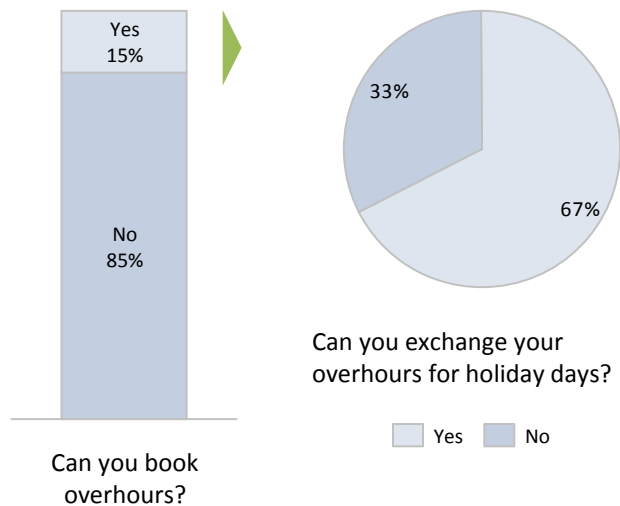
Other benefits

Fixed monthly allowances (€ p/m)

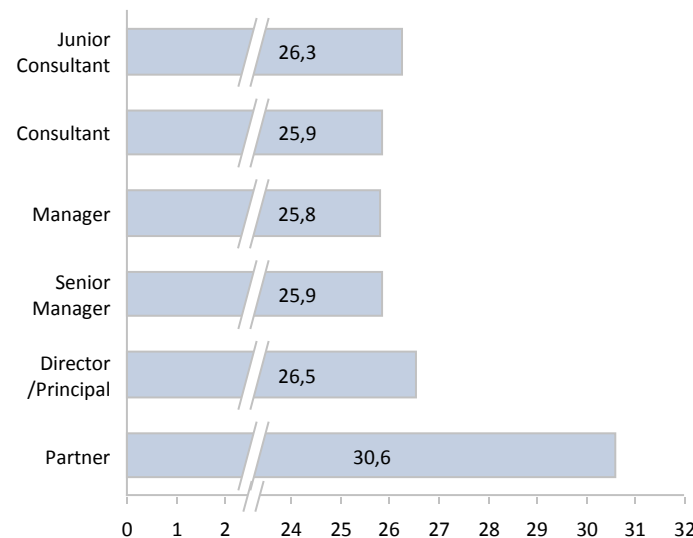


- 77% of consultants receives a fixed monthly allowance
- The monthly allowance rises from €50 (Junior) to €150 for Partners
- 72% of Juniors receive an allowance
- Only 15% can book 'overhours'. When possible, then two-thirds can exchange those hours for holiday days
- Approximately half (52%) of the consultants receive a financial compensation for working abroad

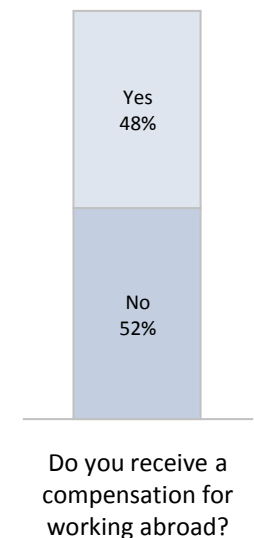
Overhours policy



Average # holiday days



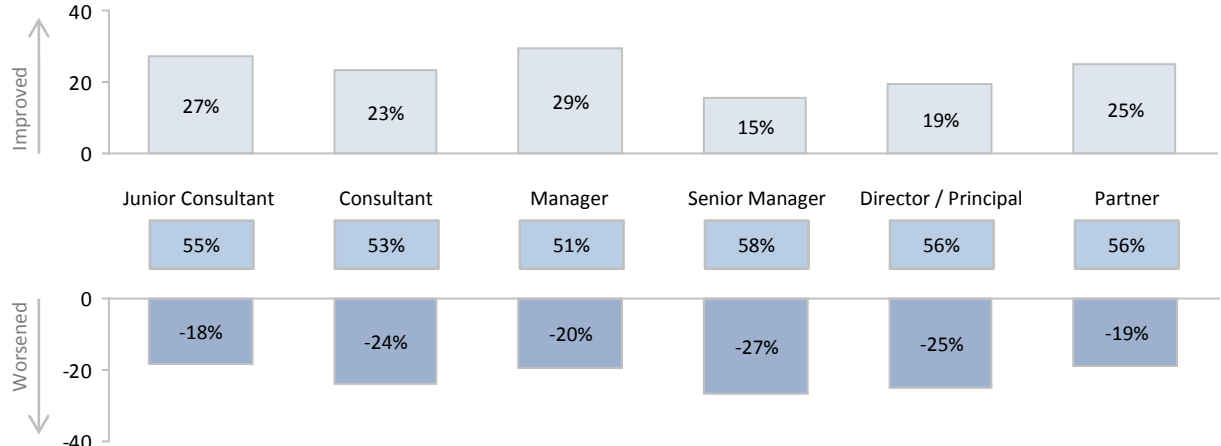
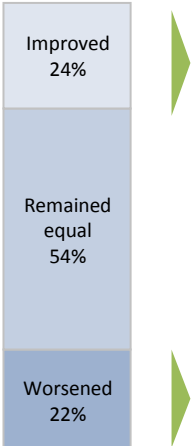
Working abroad



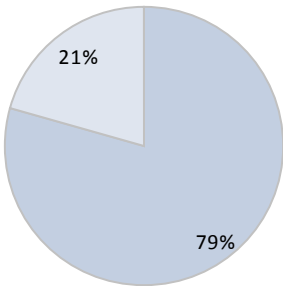
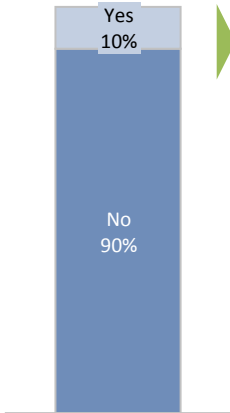


Change in remuneration package over the past year

My overall compensation and benefits package has over the past year:



Salary reduction



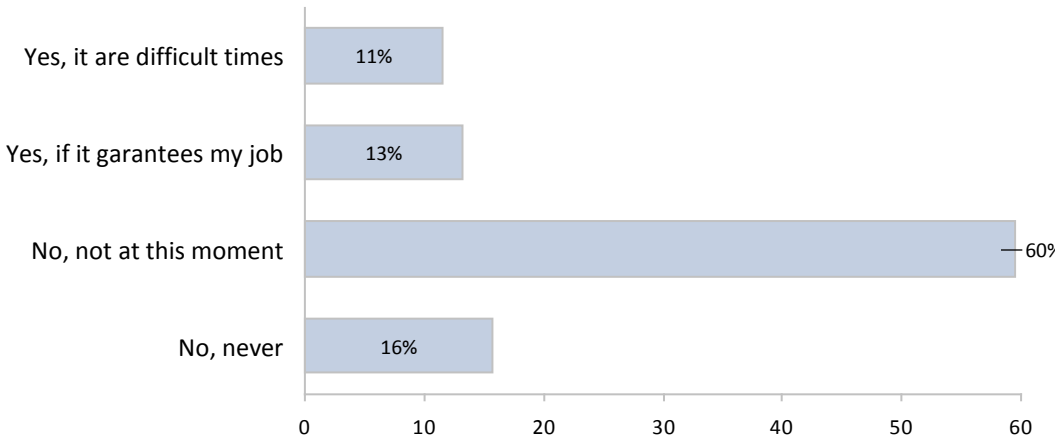
Did you accept the request from your employer to lower your salary?

Yes No

Has your employer asked you to lower your salary?

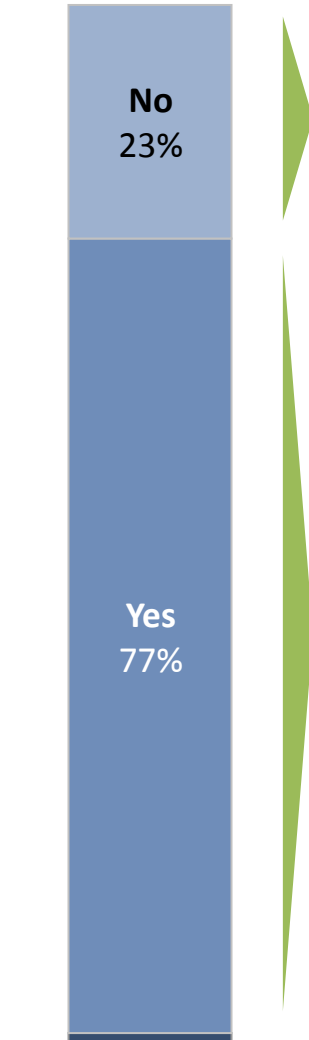
Position versus salary reduction

Would you accept a salary reduction if your employer would ask you to do so?



Work-Life Balance





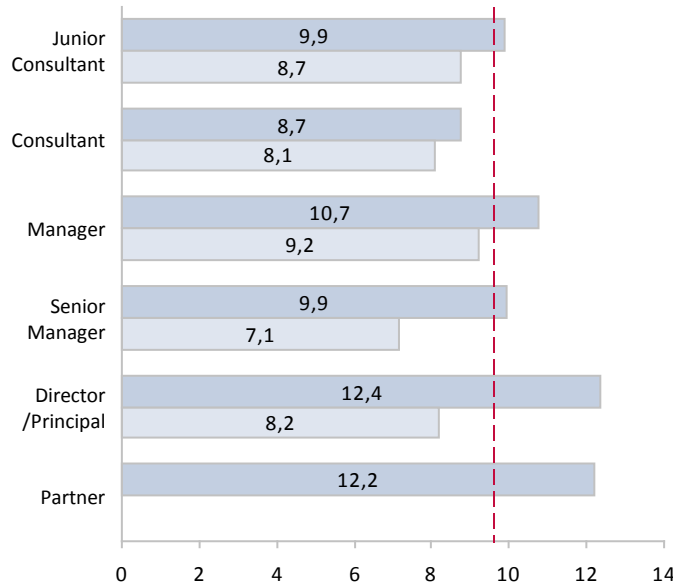
Work more than contract hours?

So who is able to avoid working excessive hours?

- 33% of consultants with a HBO background do not work over, this drops to 19% for a WO background
- Consultants that work >10 years for their current employer are more likely to be able to avoid over hours
- 60% of respondents in IT consulting firms make no over hours, compared to on average 22% across all areas

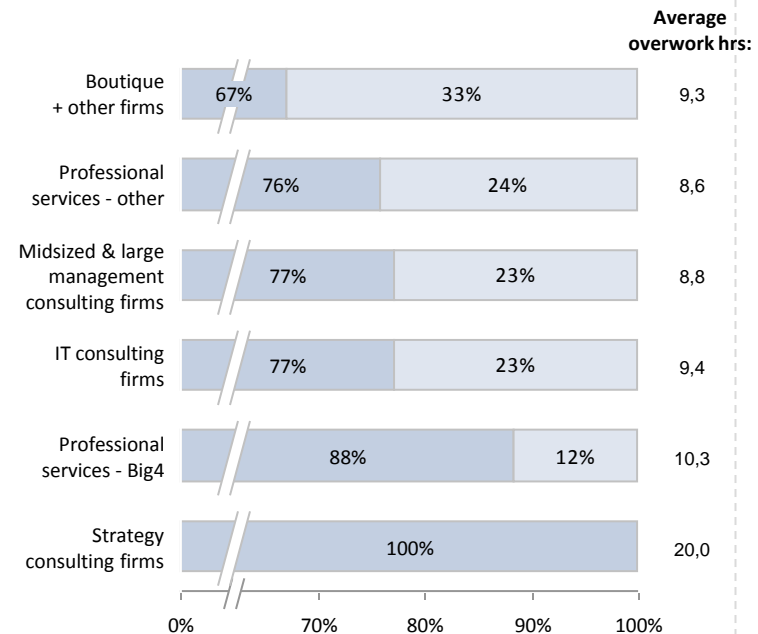
Overwork per level

- Consultants that work over do so for on average 9,5 hours per week. Partners and Directors work most hours
- In all levels, men have more overwork hours than women
- The difference in overwork hours between men and women increases as employees move up the ranks



Overwork per firm type

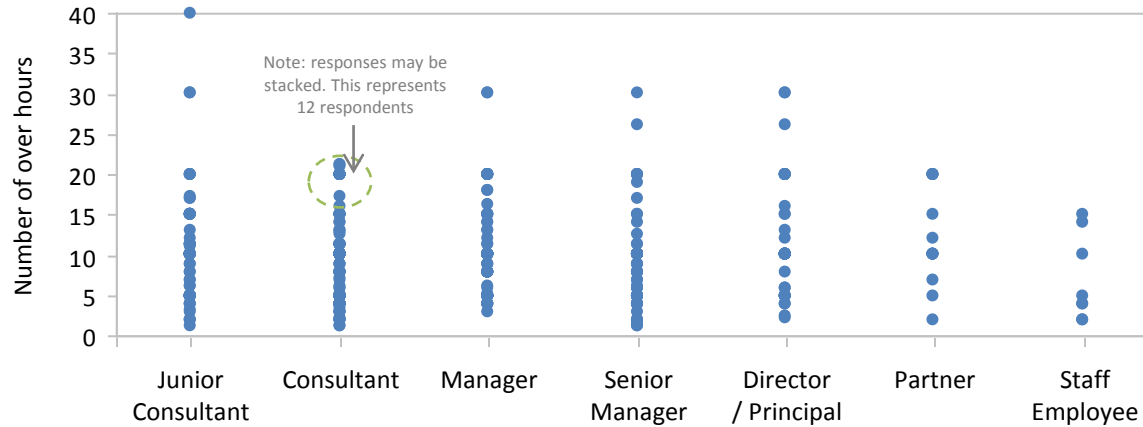
- At boutique firms, 33% of consultants do not work over hours. When they do, they average 9,3 hours p.p. p/w
- All advisors of strategy consulting firms work longer than their contract hours, on average 20hrs p.p. p/w more



Work-Life Balance

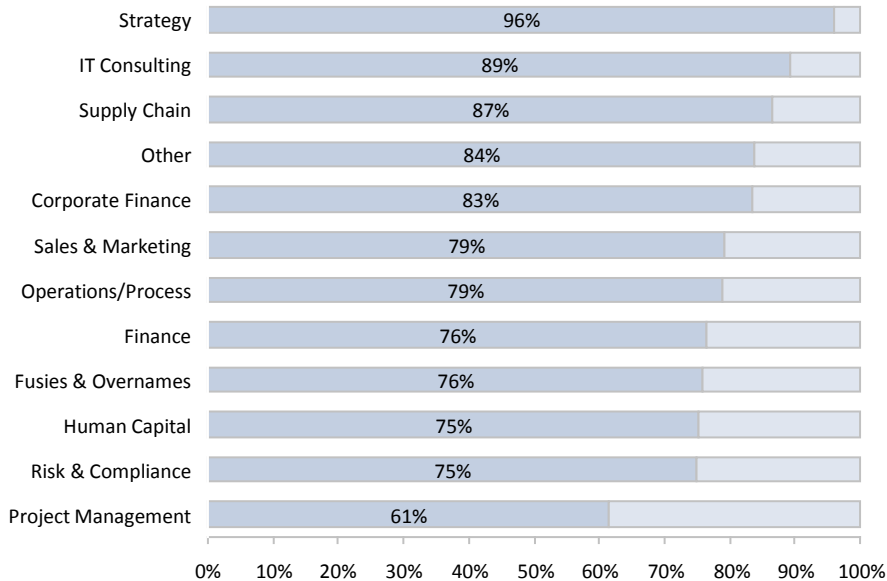
Working hours and work-life satisfaction

Overwork hours per level

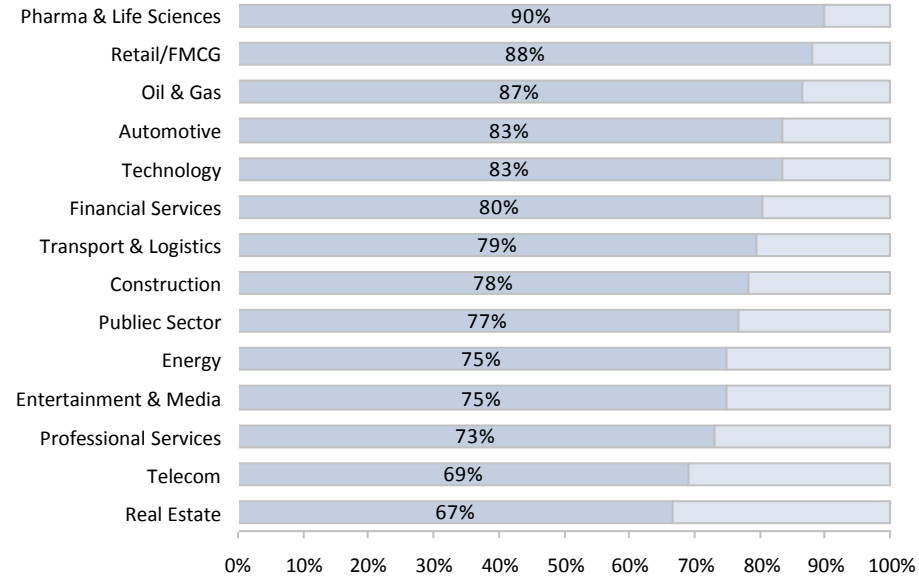


- Spread of overwork hours across levels relatively similar. High outliers are in most cases strategy consultants
- Most overworkers specialize in Strategy and IT, project management discipline has least % of overworkers
- >85% of consultants in Pharma, Retail and Oil & Gas work more than contract

Overwork % per main focus area

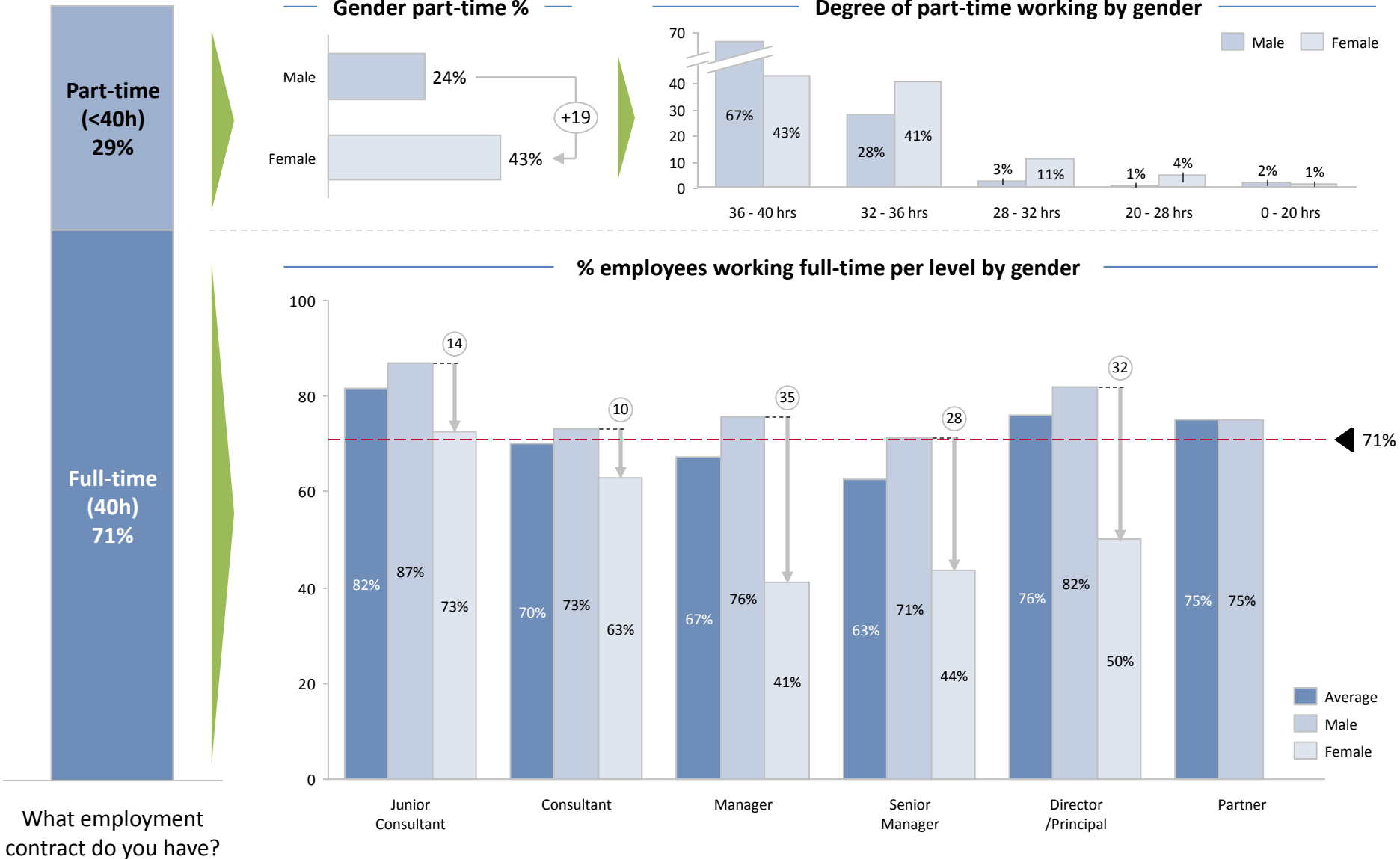


Overwork % per main industry area



Work-Life Balance

Part-time working



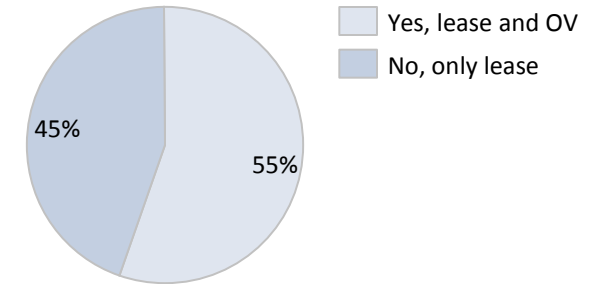
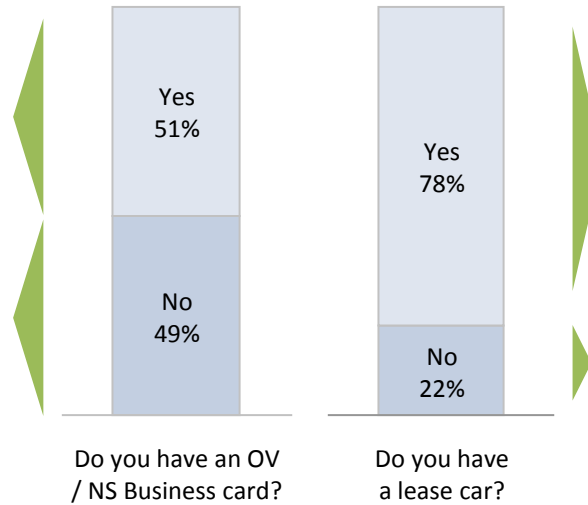
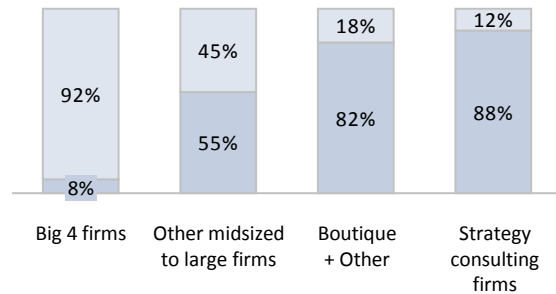
Lease & Mobility



Lease & Mobility

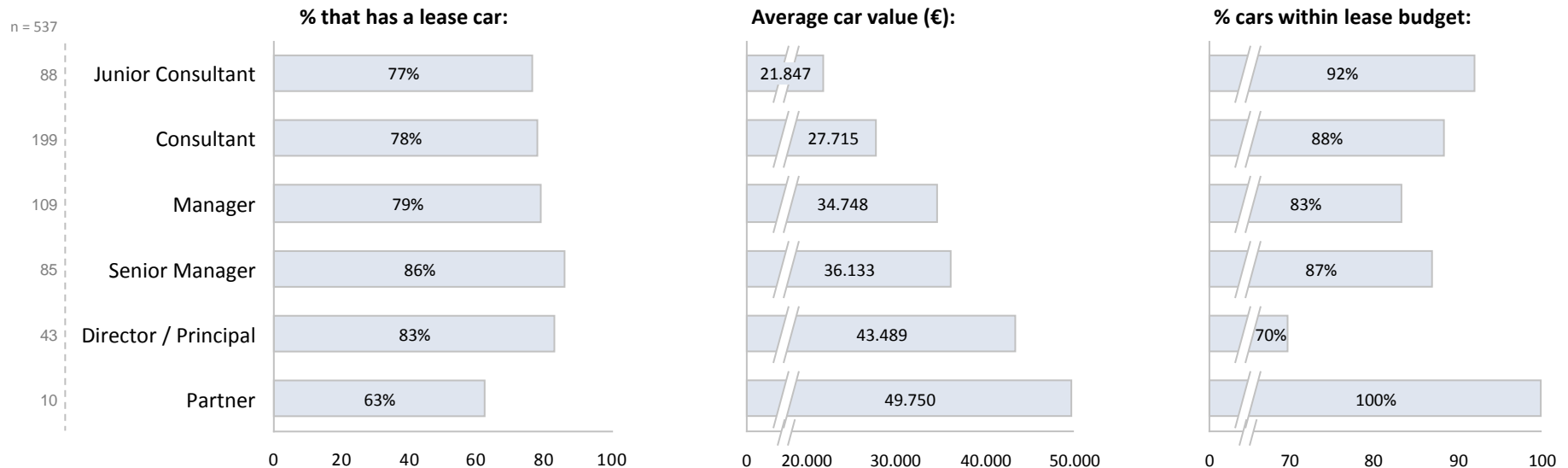
Summary of key results

- 55% of woman have an OV card, slightly higher than on average 48% of men
- 53% of WO or higher have an OV card, compared to 22% of HBO employees



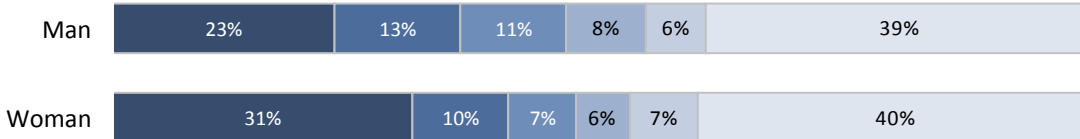
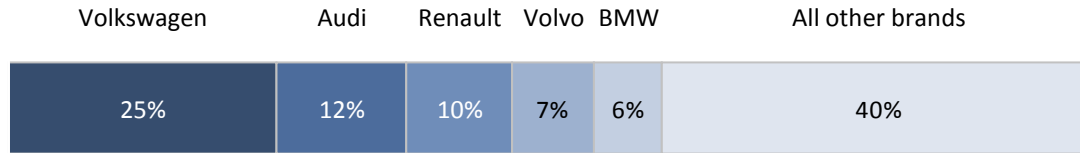
At boutique and 'other' consulting firms, 66% has a lease car. At for instance large professional services firms, this is ~90%

Lease car details per level



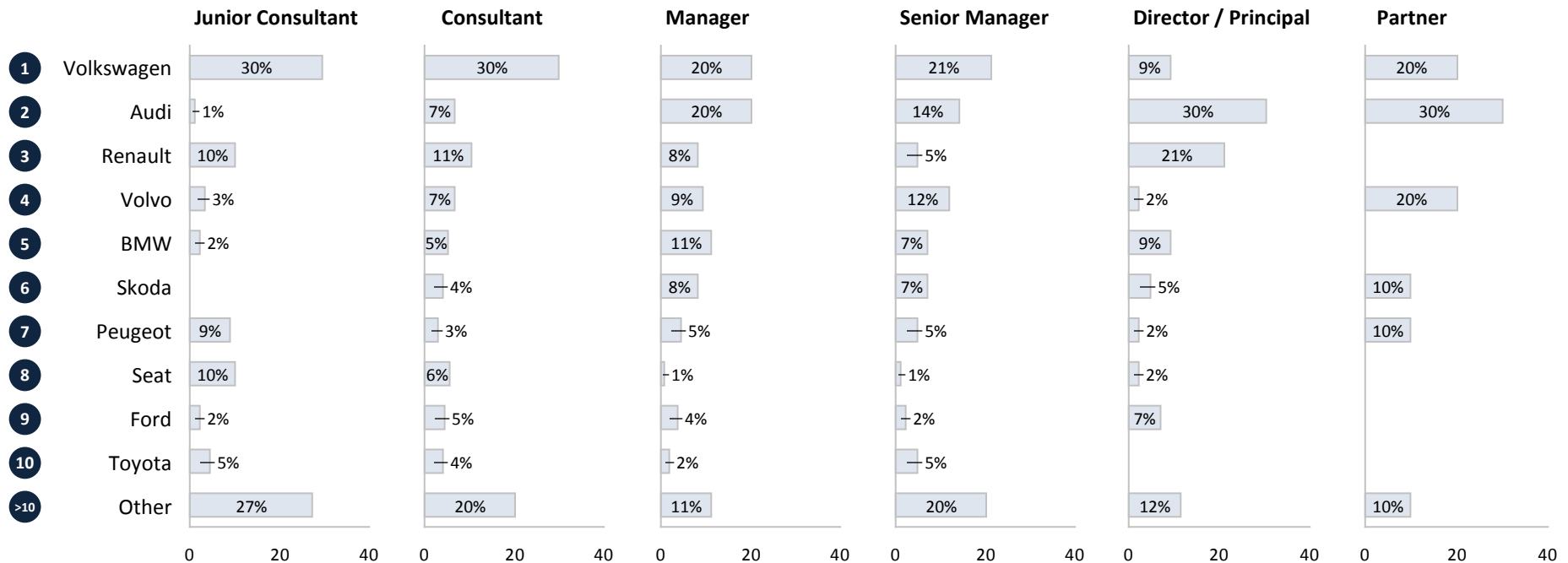
Lease & Mobility

Favourite car brands



- 60% of lease owners drive either Volkswagen, Audi, Renault, Volvo or BMW.
- Lease car references are relatively similar across gender, share top 5 brands ~equal
- Nearly a third of all (Junior) Consultants drive Volkswagen, from Manager level and above Audi gains popularity

Car brand share per level





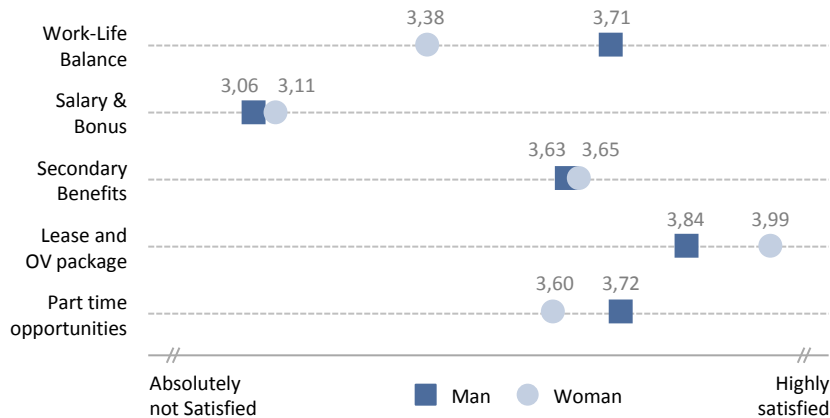
Job Satisfaction

Job Satisfaction

How satisfied are you?



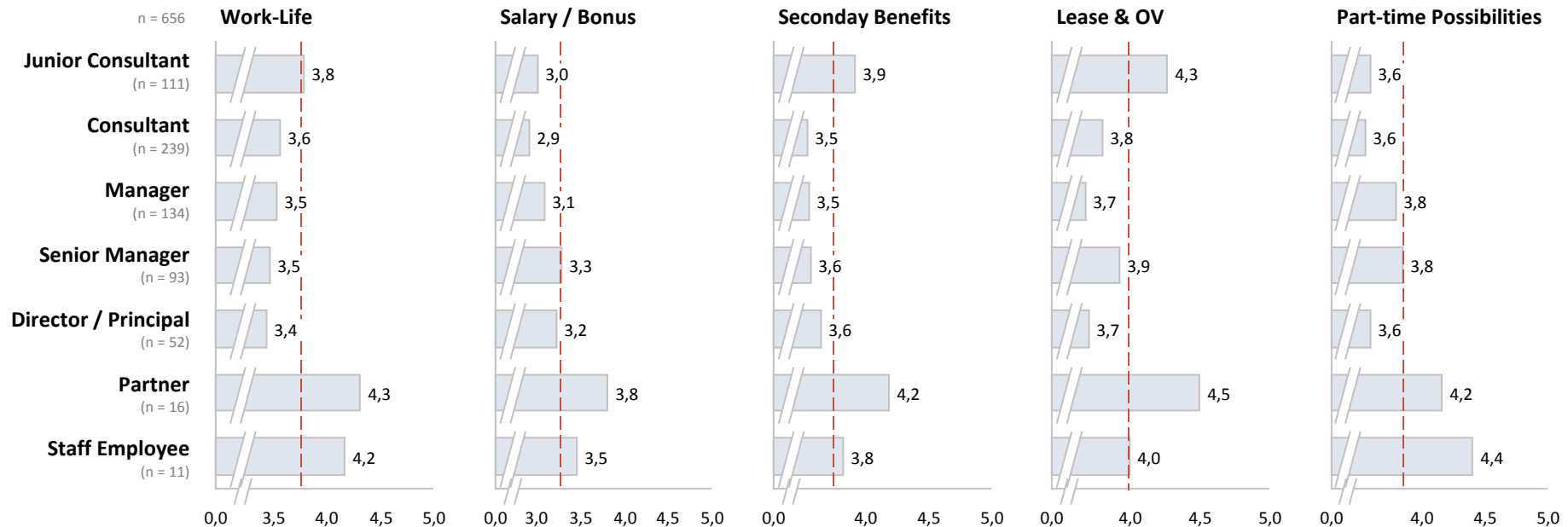
Satisfaction* by gender



- Women less satisfied with work-life and part-time possibilities
- Salary & bonus scores by a distance lowest satisfaction, highest score assigned by both genders to lease and OV
- Managers and principals least satisfied with work-life
- Junior levels score lowest on salary and bonus
- Lease & OV scores high satisfaction with Junior and Partners

* Satisfaction measured on a 5-point scale

Satisfaction by level

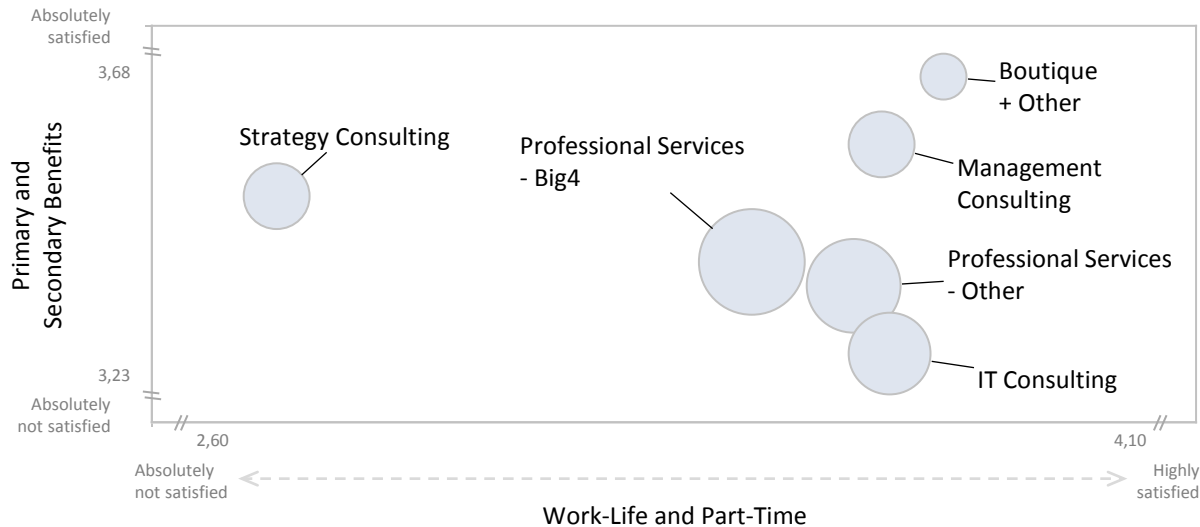


Job Satisfaction

Satisfaction by firm type and age



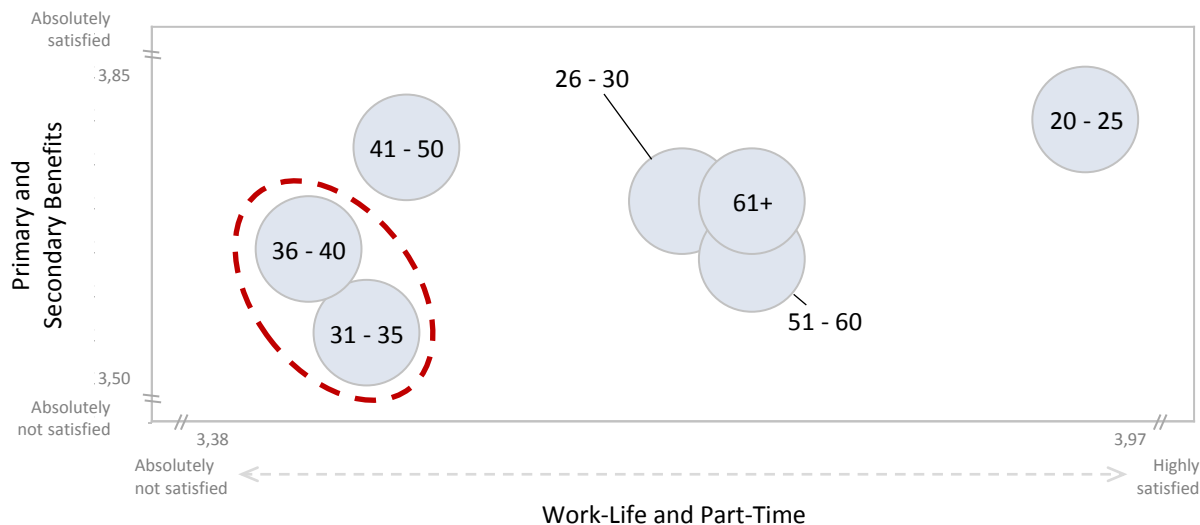
Satisfaction by firm type



- Consultants at strategy consulting firms least satisfied with work-life
- Employees working at boutique firms in general most satisfied with both benefits package and work-life balance
- Advisors in IT firms are least satisfied with primary and secondary benefits

● Relative size of firm

Satisfaction by age category



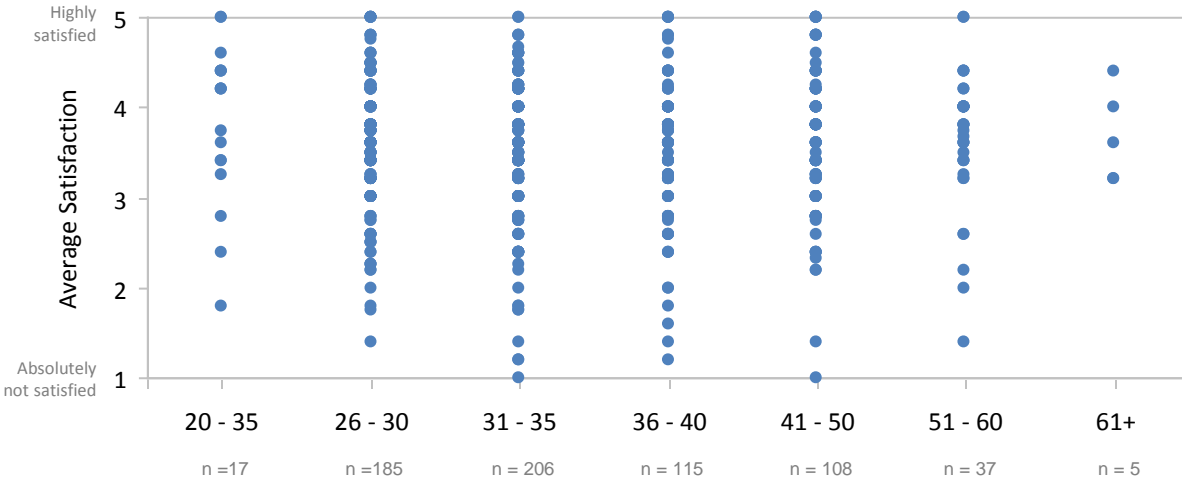
- Young consultants (20 – 25) are most satisfied with work-life and benefits
- Satisfaction on both dimensions is lowest for consultants in their 30's

Job Satisfaction

Satisfaction by age and duration at employer

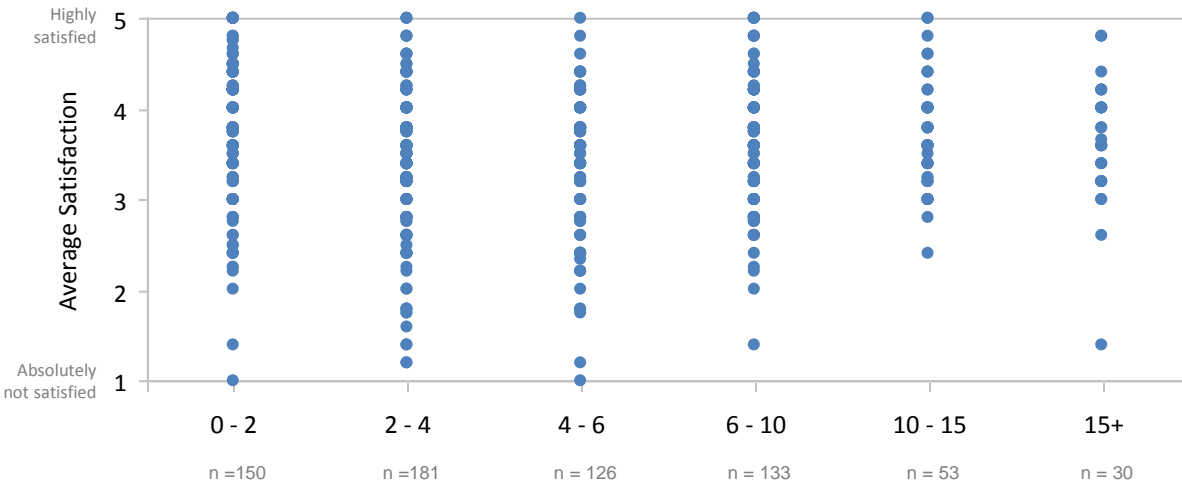


Satisfaction by age



- Average satisfaction and variance to a large extent similar across age groups
- Satisfaction higher for oldest respondents (61+), this is however based on a small number of respondents

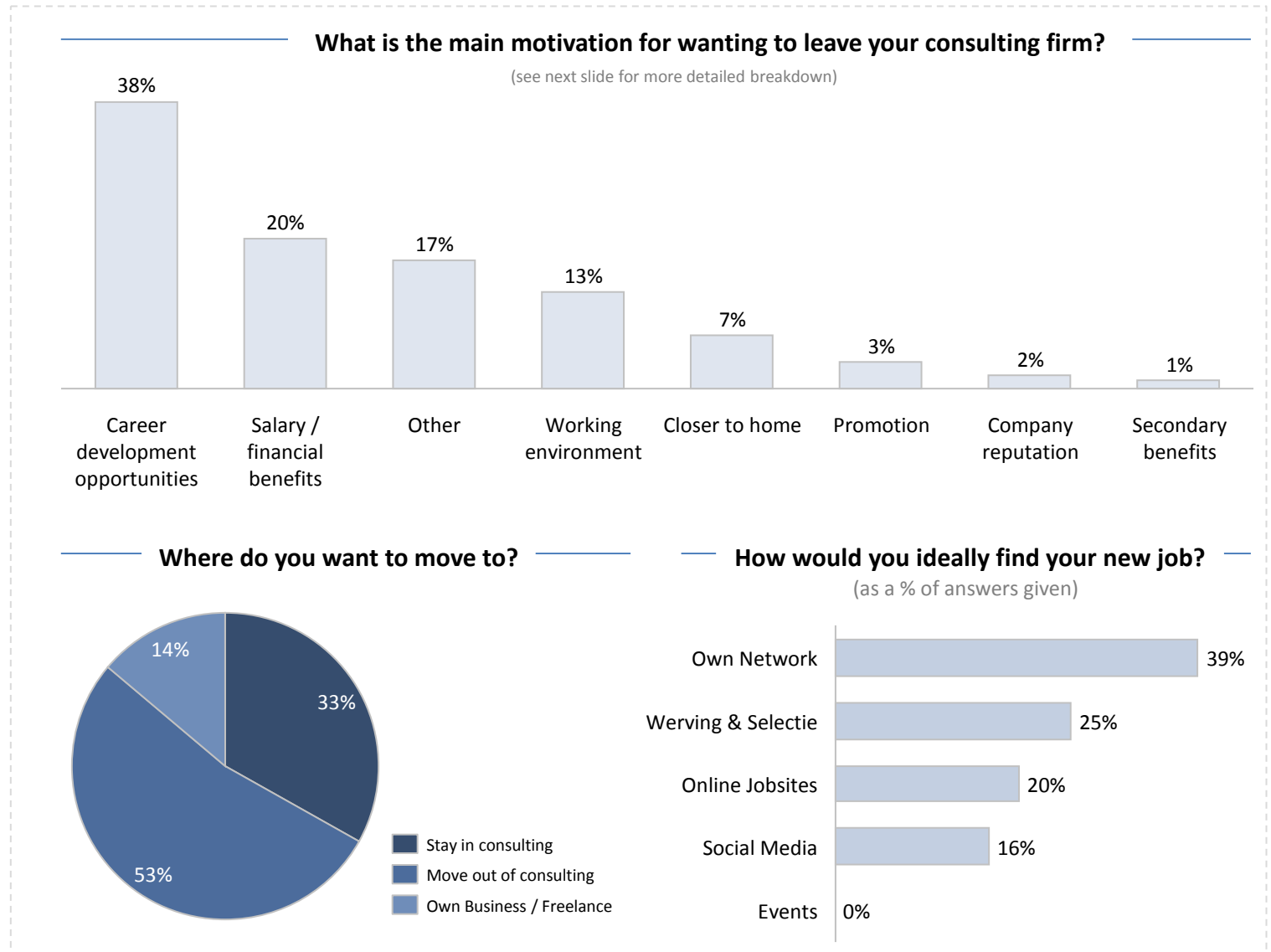
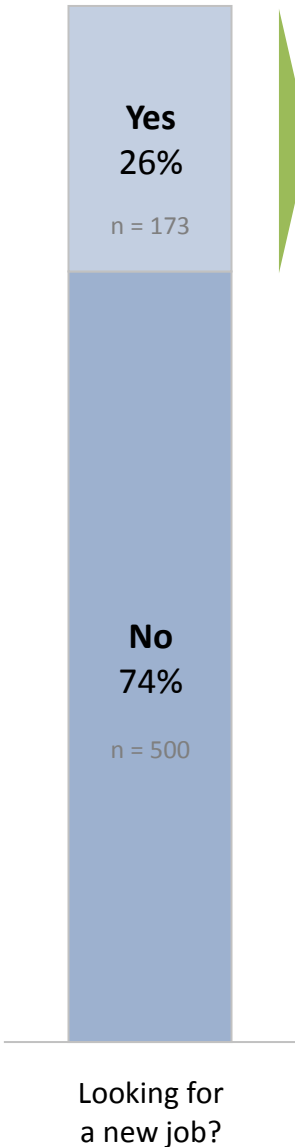
Satisfaction by # years at current employer



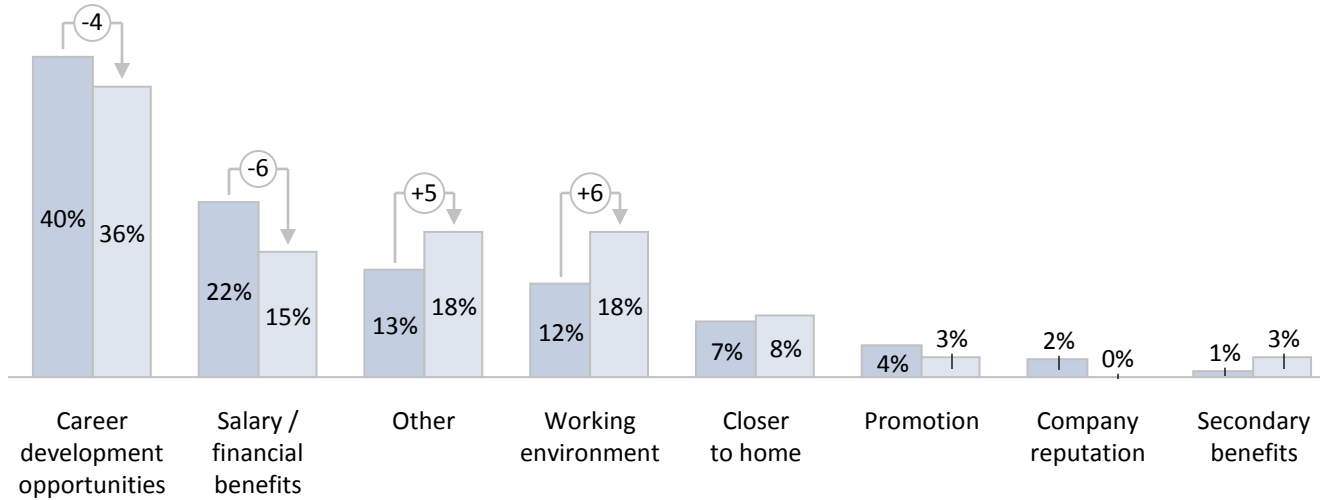
- Average satisfaction and variance to a large extent similar across number of years at current employer
- As employees are 10 years or longer at their current firm, the number of highly unsatisfied respondents reduces



Changing Jobs

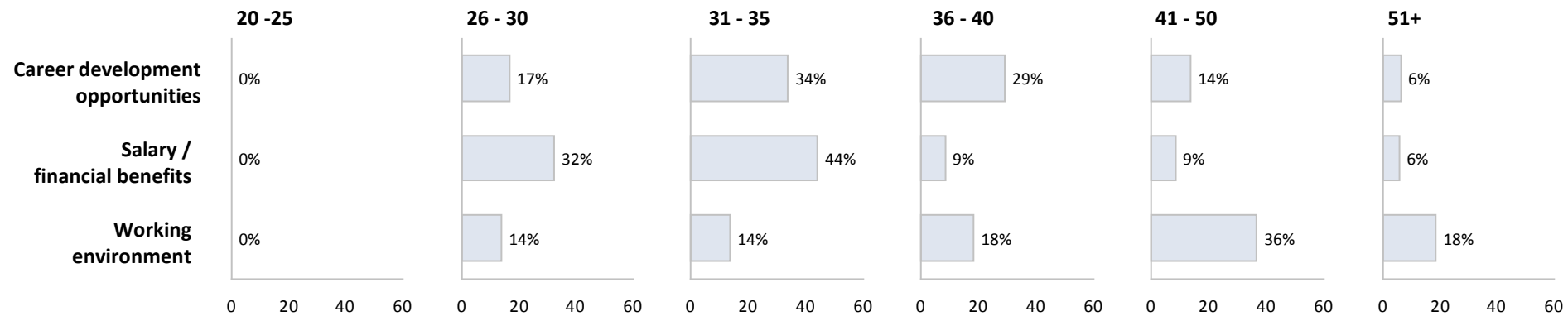


Motivation for leaving by gender



- Motivation to leave generally follows the same trend across both genders
- Career development and salary more important for men, women score relatively higher on working environment

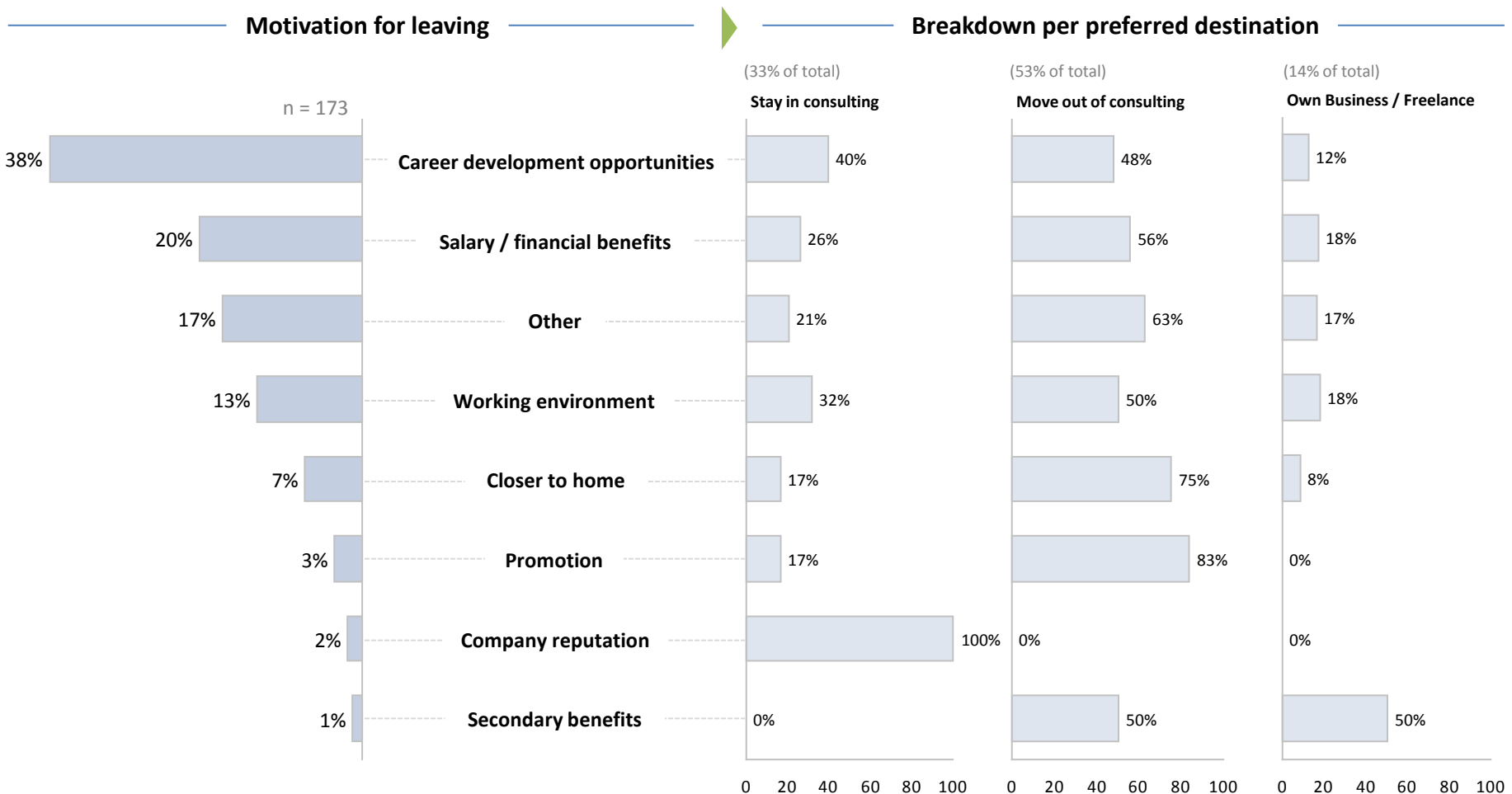
Motivation for leaving by age group (Top 3 factors)

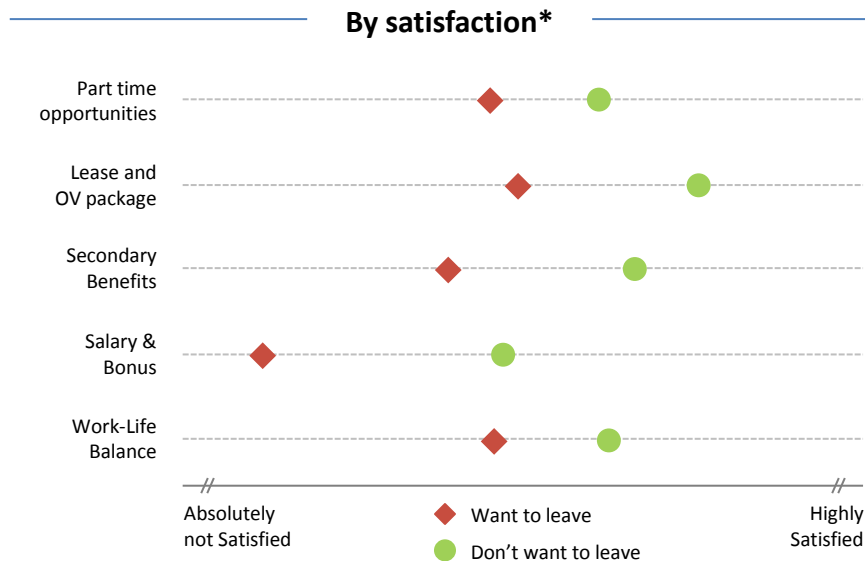
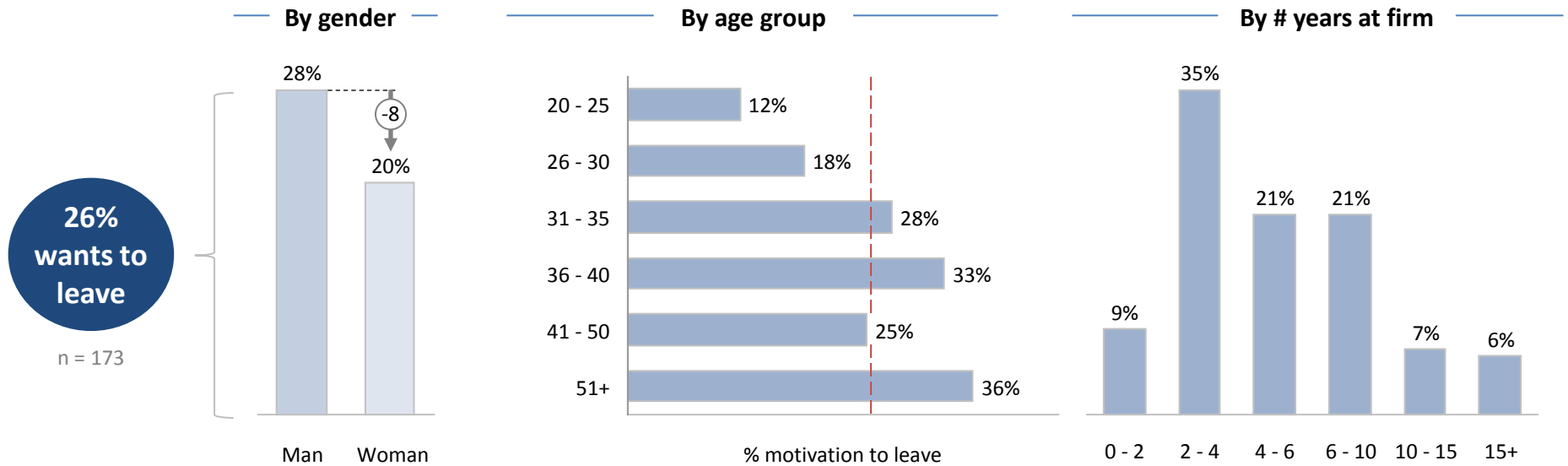


- Younger age categories give salary as most important reason for leaving. Consultants wanting to leave to find a better working environment more than proportionately fall in the senior age groups. Career development is top motivation for employees in their 30's.

Motivation to leave: considerations behind next destination

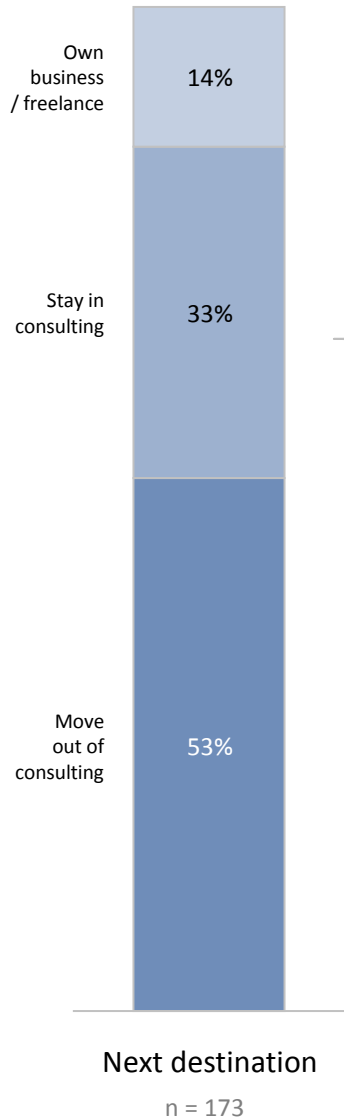
- Top two reasons why employees want to leave their consulting firm:
 1. Improved career opportunities: people choose to either stay within consulting or move into the business
 2. Salary: more than half of people that want to leave for salary reasons aspire moving outside consulting
- Employees that want to leave for promotion or closer to home overwhelmingly choose to move out of consulting



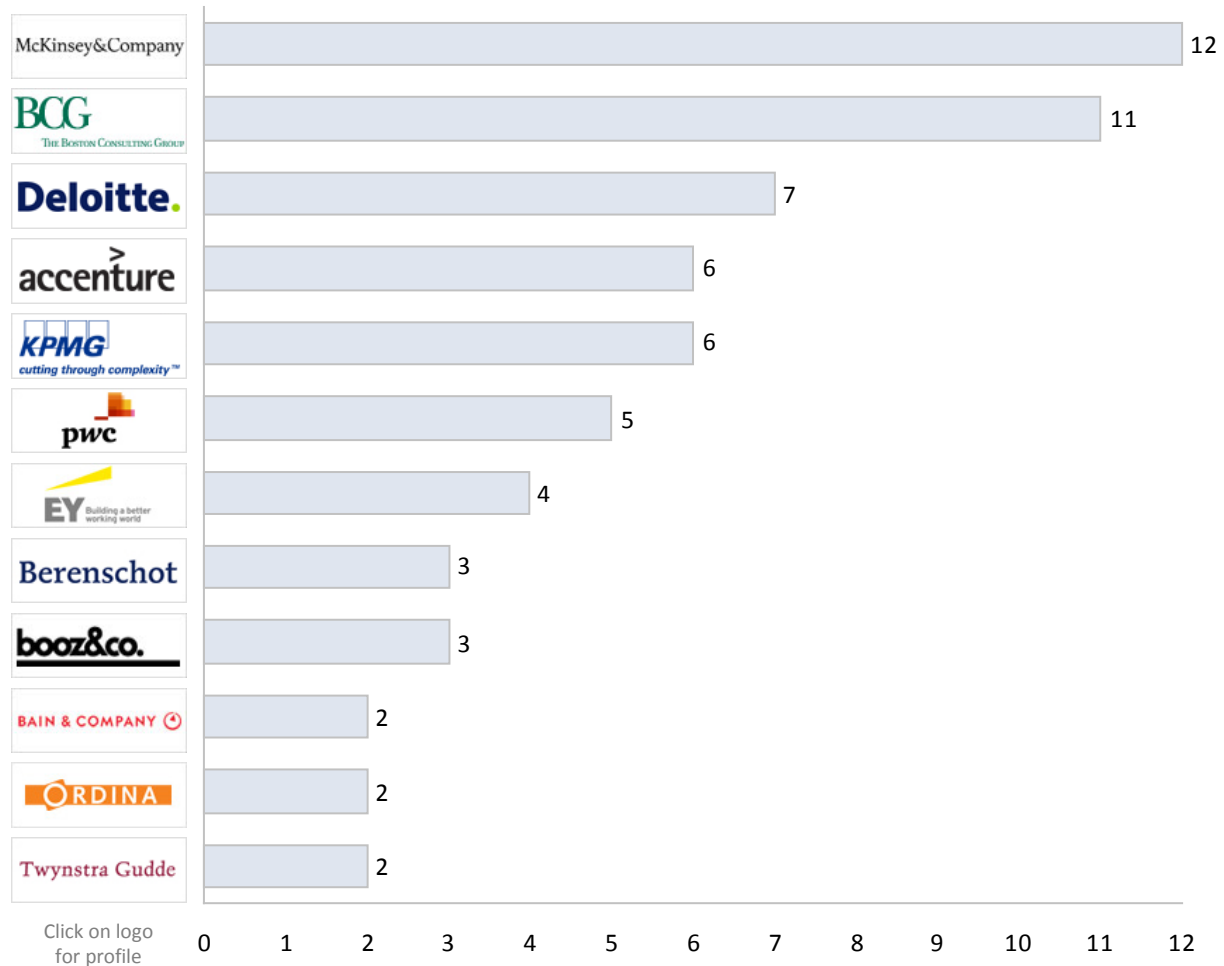


- A higher % of men willing to find a new job
- Motivation to leave is highest in the age bracket 30 – 40 years and 50+
- 2 – 4 years at the firm is the critical period for talent retention, 35% of employees in this range say they are looking to make to new career step
- Employees willing to leave are less satisfied on all 5 factors examined, in particular primary and secondary compensation stand out

Top destinations within consulting industry



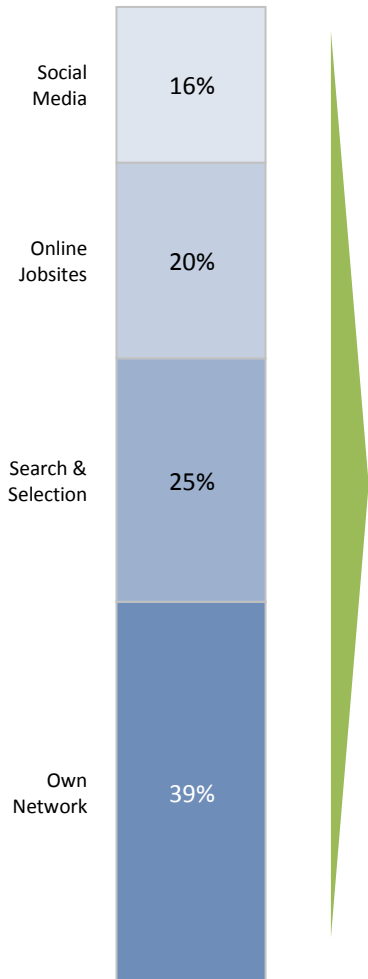
- 57 respondents stated they want to find a new job within the consulting industry
- They could subsequently indicate (open field) which consulting firm(s) would have their preference
- An overview of the firms mentioned two or more times:



Changing Jobs

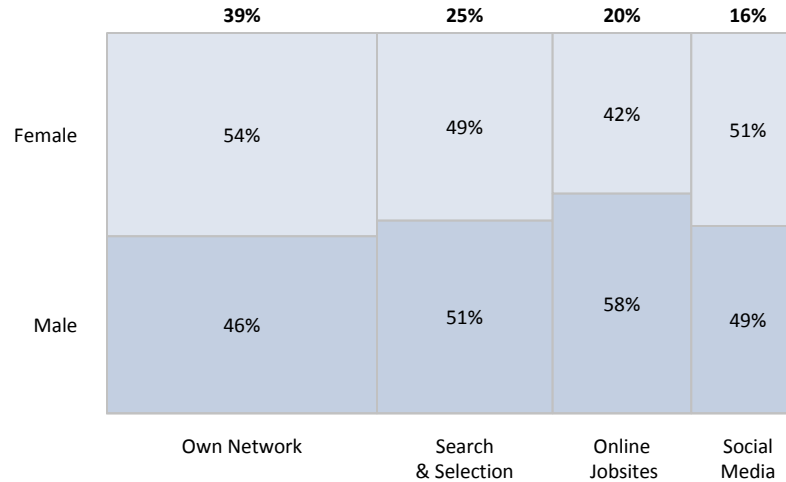
How to find a new job?

173 people
299 responses



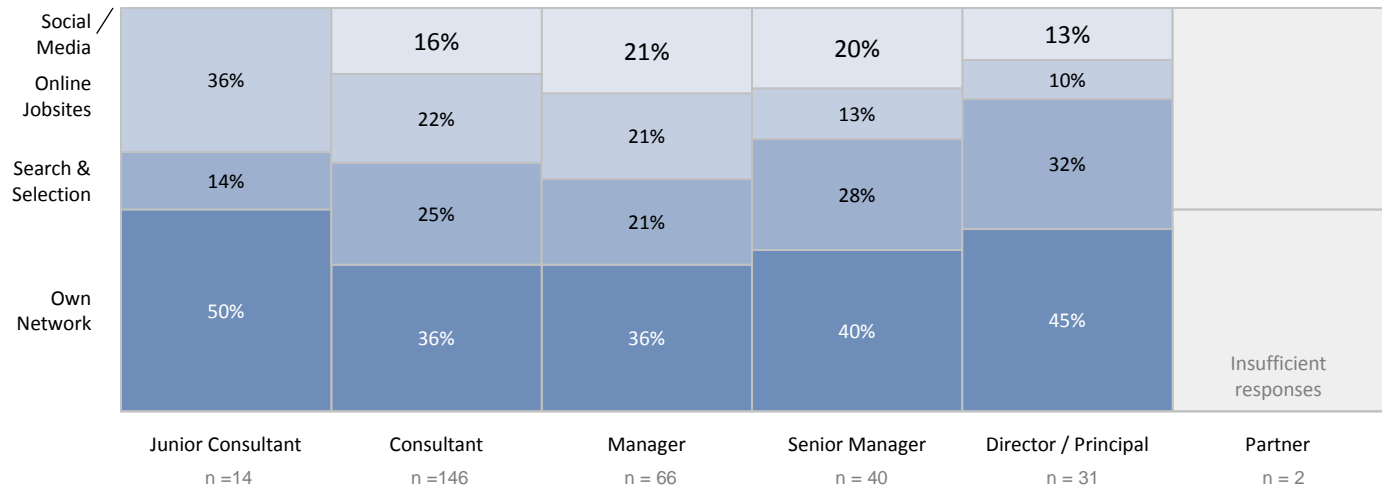
How do you prefer
to find a new job?

Preferred channels by gender



- Men and women have relatively similar preferences regarding the channel for finding a new job
- Own network is for all levels the most popular channel
- The value of jobsites decreases with seniority, the importance of search & selection however grows

Preferred channels by level





Market Expectations

When will the consulting employment market recover?

- Relatively little difference in market outlook between men and women
- Overall, women slightly more optimistic than men

Male vs. Female

Details: Slide 37



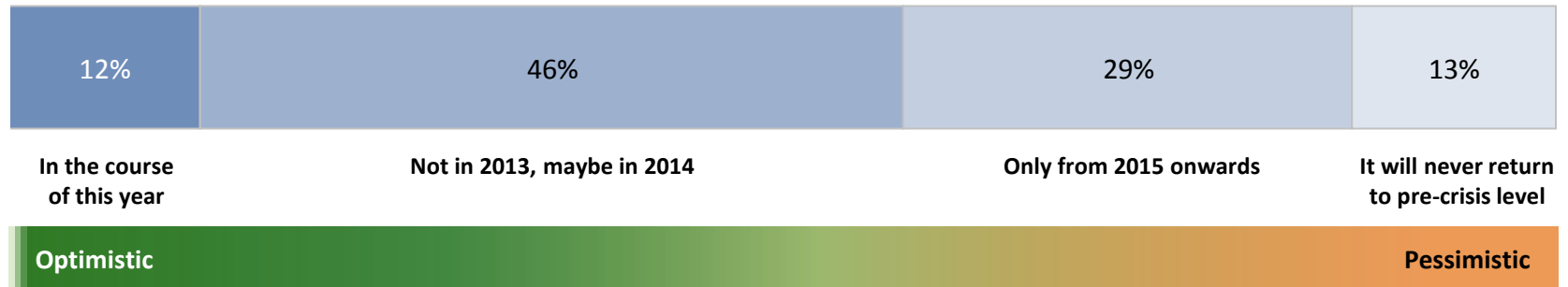
- General trend across age groups shows similar pattern in expectations over time
- Oldest respondents most pessimistic, two youngest age categories most optimistic

Young vs. Old

Details: Slide 37



When do you expect the employment market in the consulting sector to recover?



Industry

Details: Slide 38

- Transport, Oil & Gas and Retail most optimistic
- Public Sector and Real Estate most pessimistic
- 33% of consultants in media believe the market will never return to its pre-crisis level



Settled vs. Unsettled

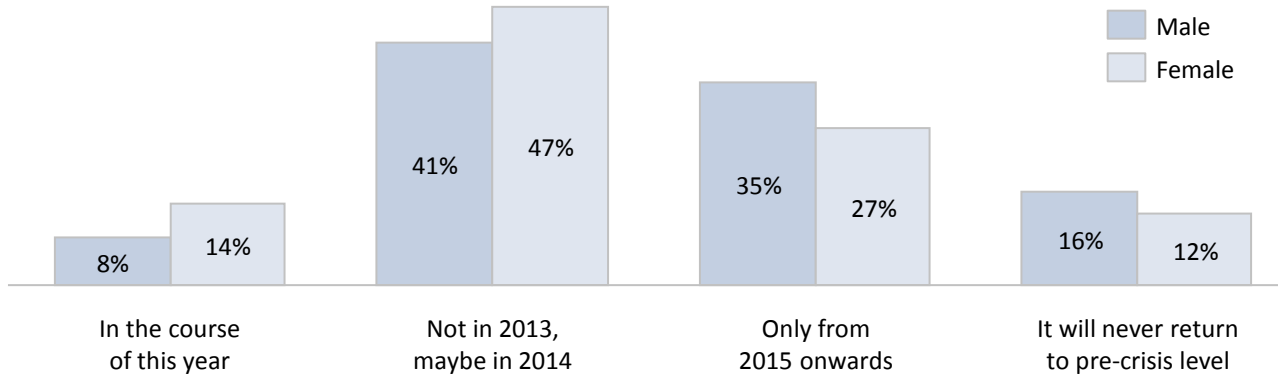
Details: Slide 39

- No significant relationship difference between employees looking for a job or those settled
- Employees with deteriorated compensation and benefits more pessimistic on long term recovery

Expectations

When will the consulting market recover?

Expectations by male / female

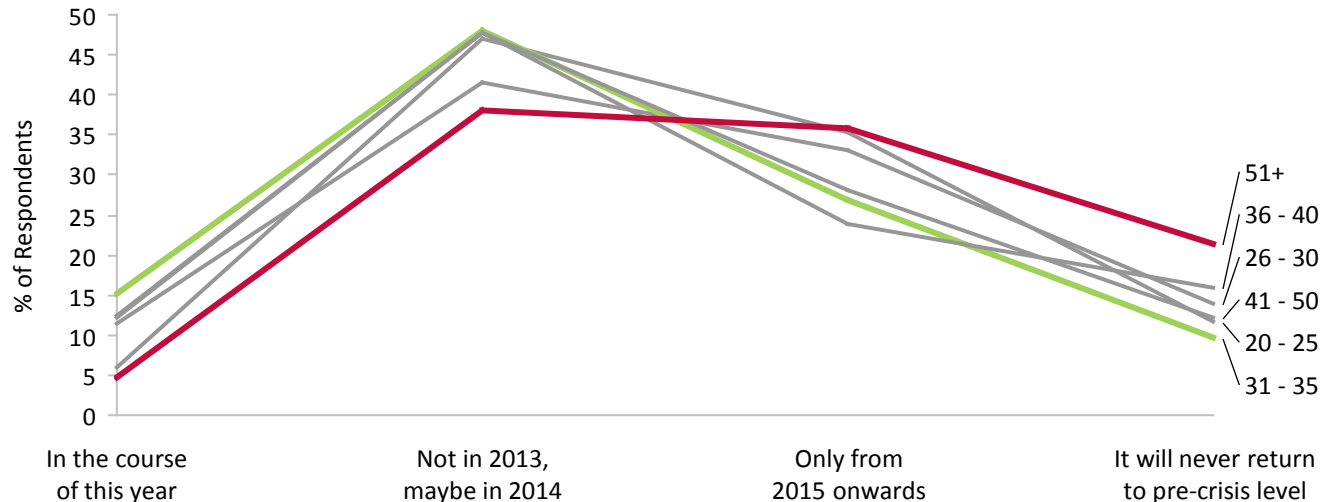


- Overall trend across gender relatively similar over time
- Men are less optimistic in terms of the timing of recovery, and vice versa, women are more optimistic
- The largest group of men and women consider a recovery in 2014 the most likely scenario

Optimistic

Pessimistic

Expectations by age group

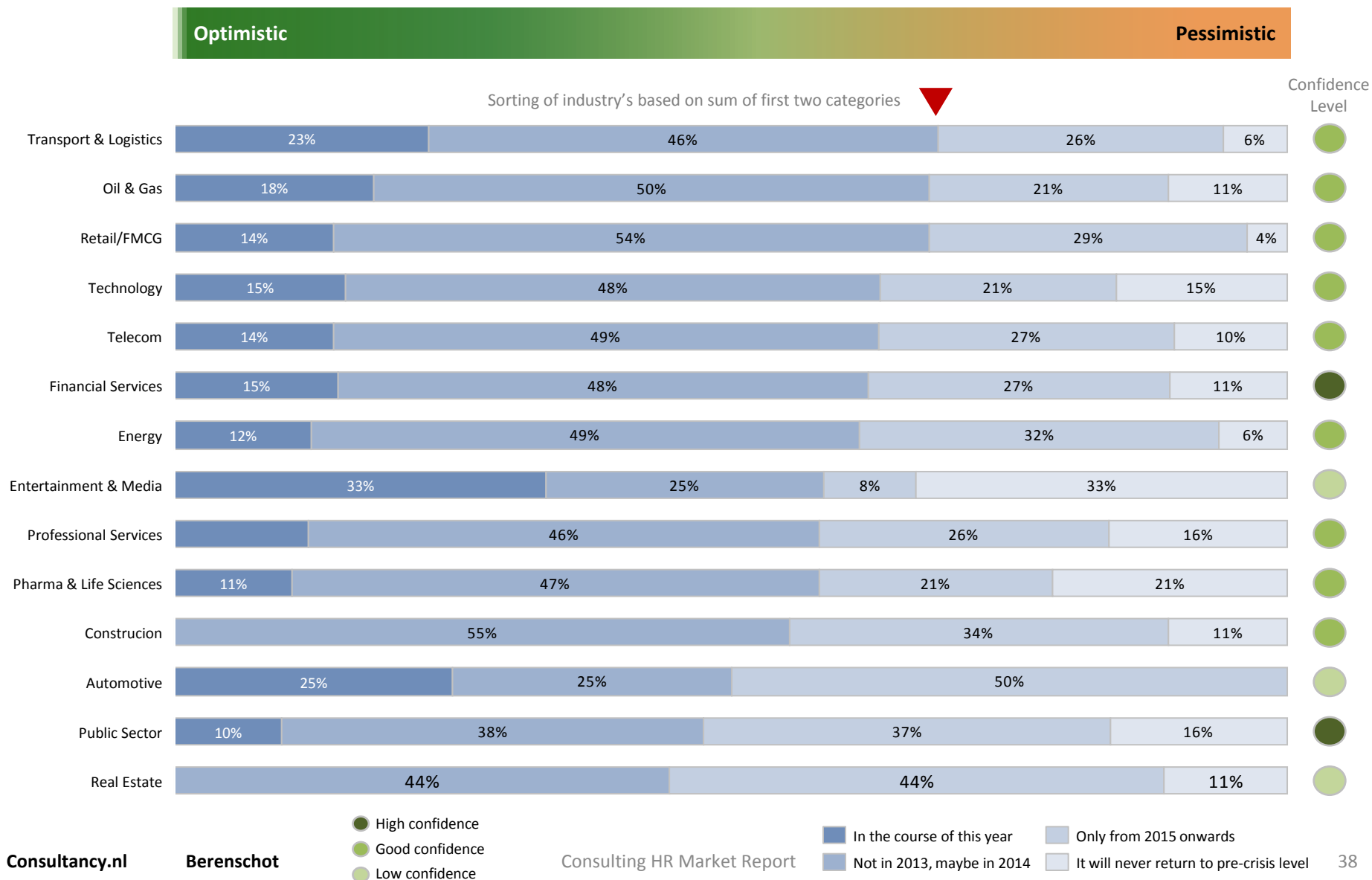


- Overall trend across age groups shows similar pattern over time
- Majority of respondents believe the market will recover in 2014
- Oldest age group (51+) most pessimistic about recovery
- Two youngest age groups are most optimistic

Expectations

When will the consulting market recover?

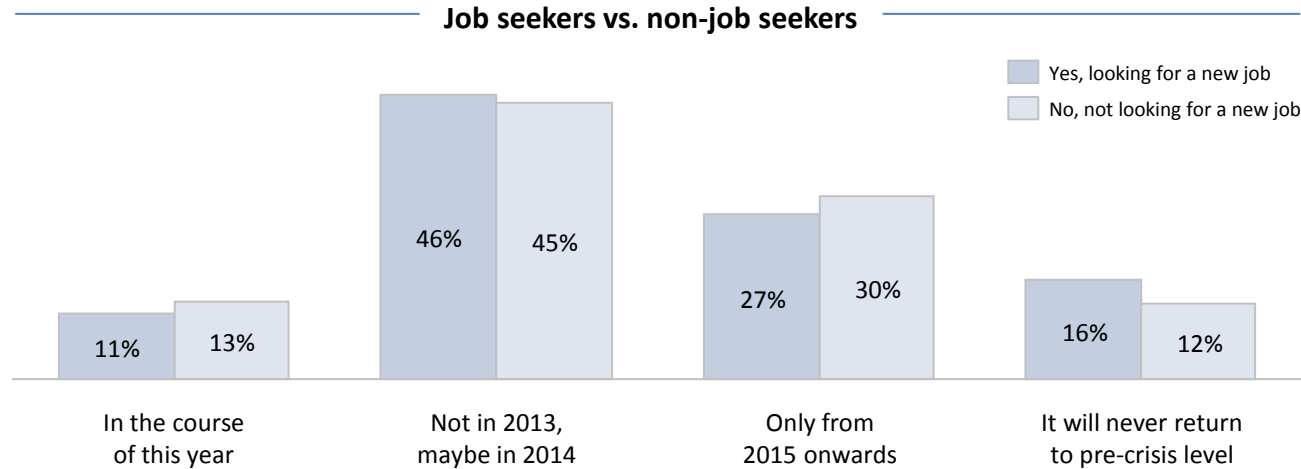
Expectations by industry



Expectations

When will the consulting market recover?

There is no significant difference in market expectations between respondents considered to be settled at their current employer versus employees that may be disappointed or even unsettled:



- There is no significant relationship between employees eager to leave their consulting firm and those well-settled



- No relationship found between the change in the benefits of employees and the expectations they have on market recovery
- 20% of employees which have seen a deterioration in their benefits over the past believe the market will never return to pre-crisis levels

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Appendix

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Larry Zeenny (1981) obtained a MSc. in General Management from Nyenrode Universiteit and a MSc. in Economics from Maastricht University. In 2005 he joined Deloitte Consulting, where he worked for approximately 8 years. He has contributed to dozens of consulting projects in the area of strategy, mergers & acquisitions, sales & marketing, operations and human capital.

Larry is owner of the consulting platforms Consultancy.nl and StrategyConsulting.nl.



Bas Looijestein (1981) studied Communication & Multimedia Design in The Hague. Following his study, he worked three years for online marketing and media agency ZenithOptimedia. Over the past eight years he has worked as an independent online media specialist for renown organizations across a wide range of sectors.

Bas is owner of the consulting platforms Consultancy.nl and StrategyConsulting.nl.

Berenschot

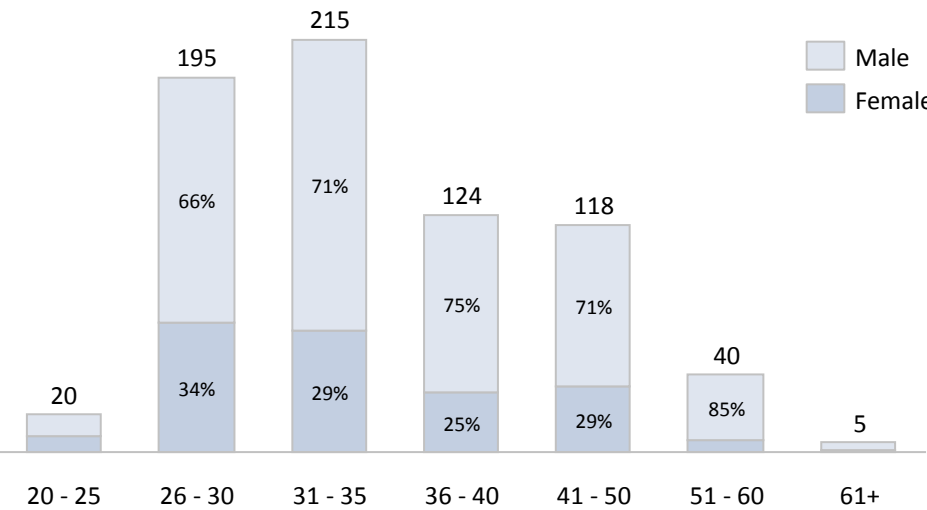


Hans van der Spek (1961) studied Bedrijfseconomie at the HEAO in Zwolle. After his graduation he worked for several years in the areas of Finance, IT and HR. Parallel to his professional career, he successfully completed the studies AMBI (ICT) and the MSc. Management Consultancy at the VU Amsterdam. Since 2009 Hans works as management consultant for Berenschot, running HR-related projects. In his role as Manager of the HRM Knowledge Center Hans is responsible for several trend- and salary surveys.

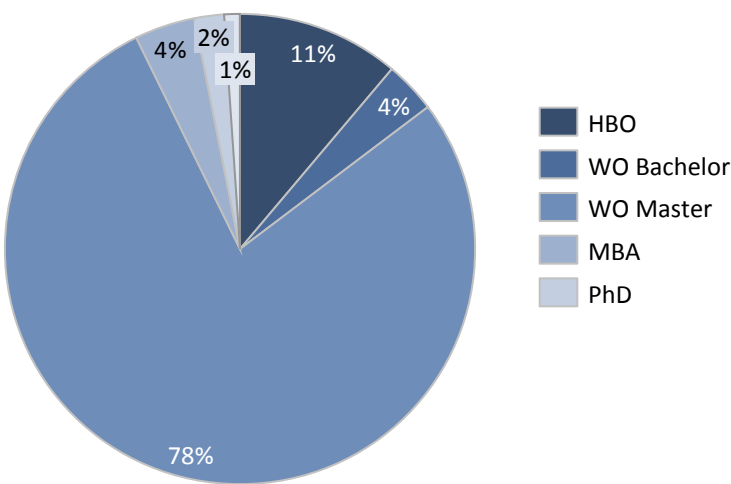


Hella Sylva (1983) graduated in Labour and Organizational Psychology, after which she worked as a PhD candidate for the Amsterdam Business School. During her academic spell, she performed research and provided education in the HR-domain. Since 2012 she works for Berenschot, where she focuses on projects in the area of strategic HR planning, benchmarking and total rewards. Hella is in addition involved with several trend- and salary surveys.

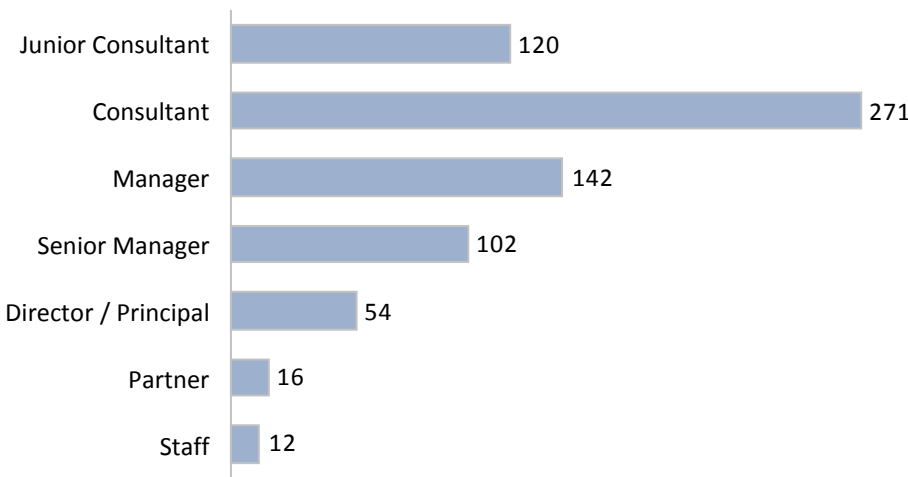
Age and Male / Female Ratio



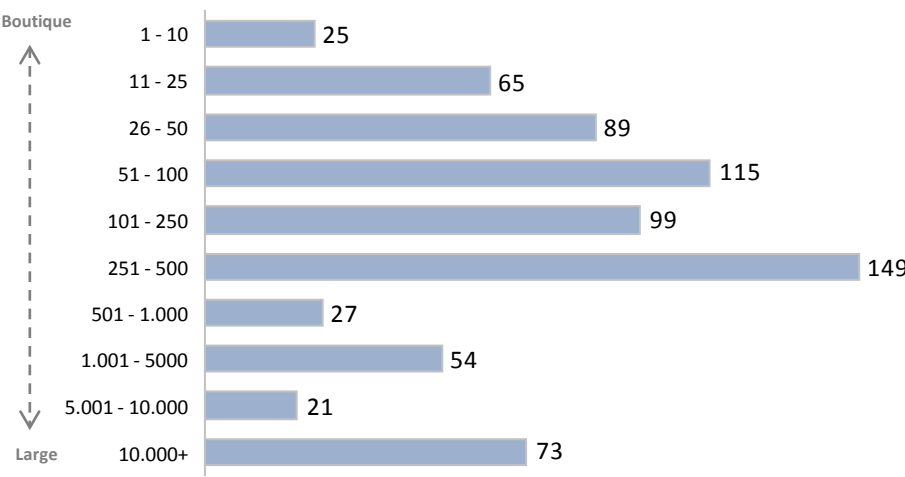
Level of Education



Breakdown by Level

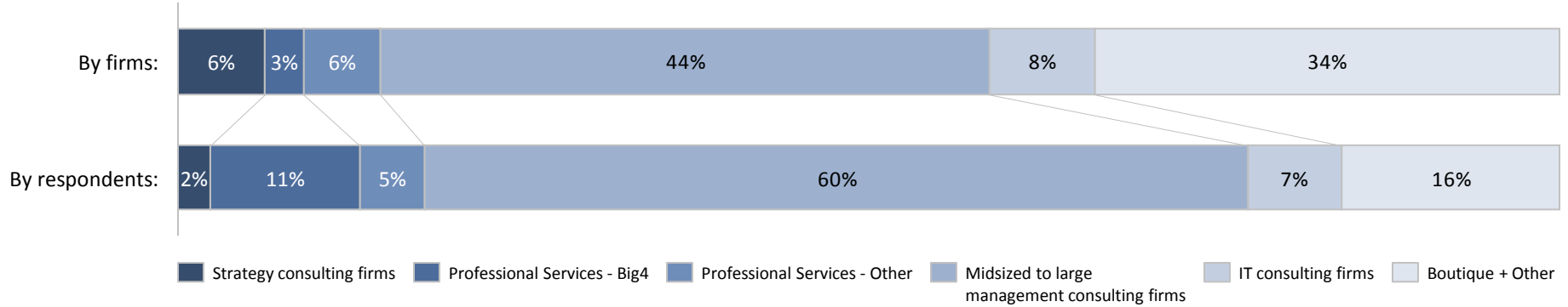


Company Breakdown (by # employees)

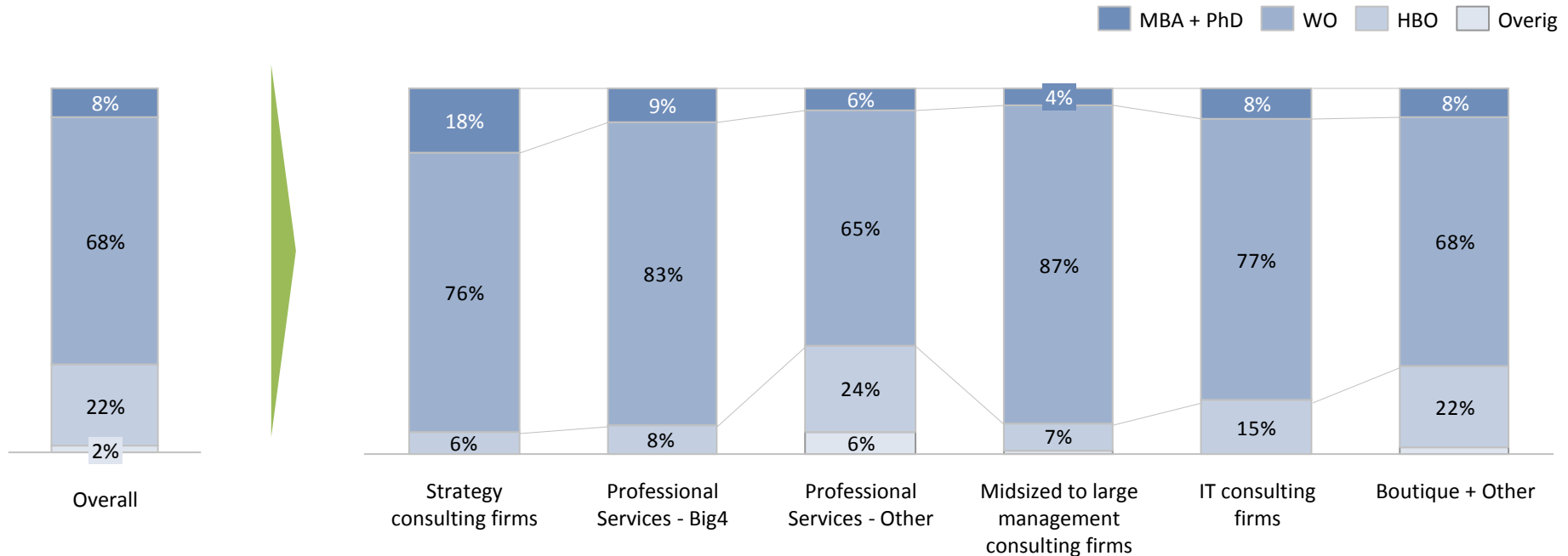


Demographics: Respondents per company

Employees of more than 150 consulting firms participated in the Salary Survey 2013:

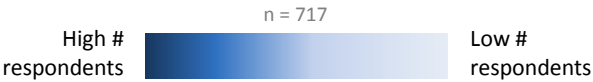
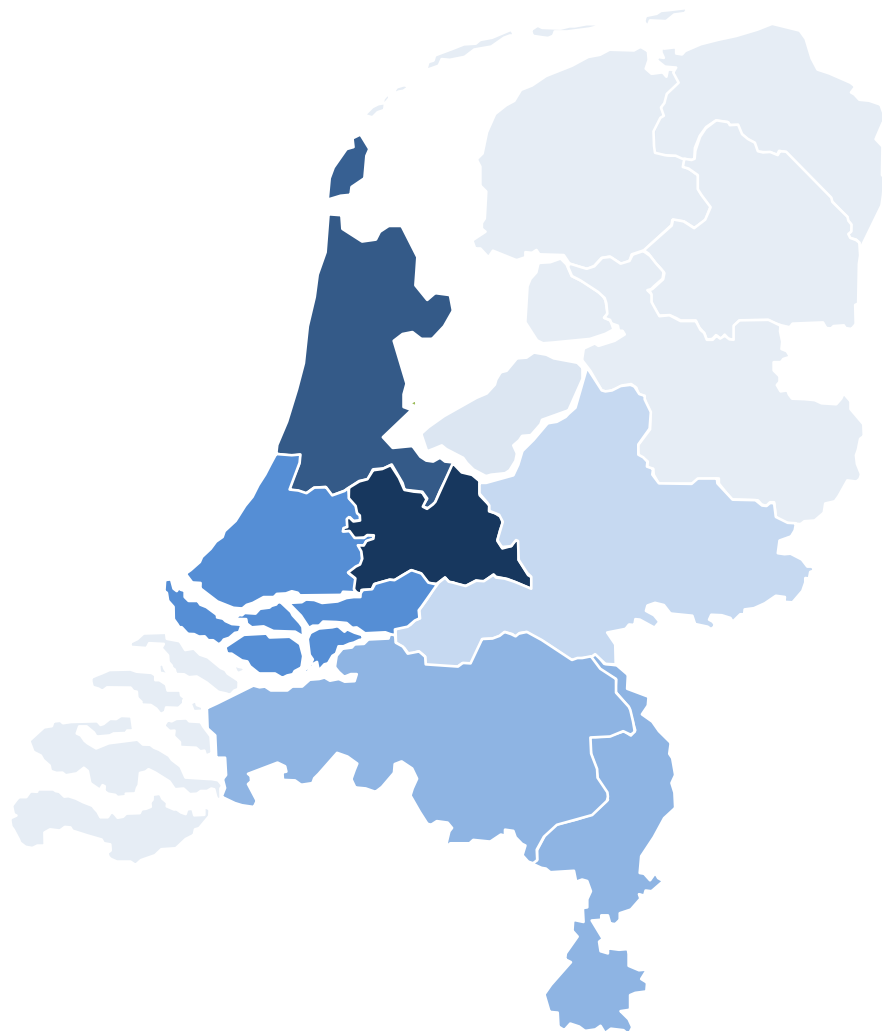


Educational background per company

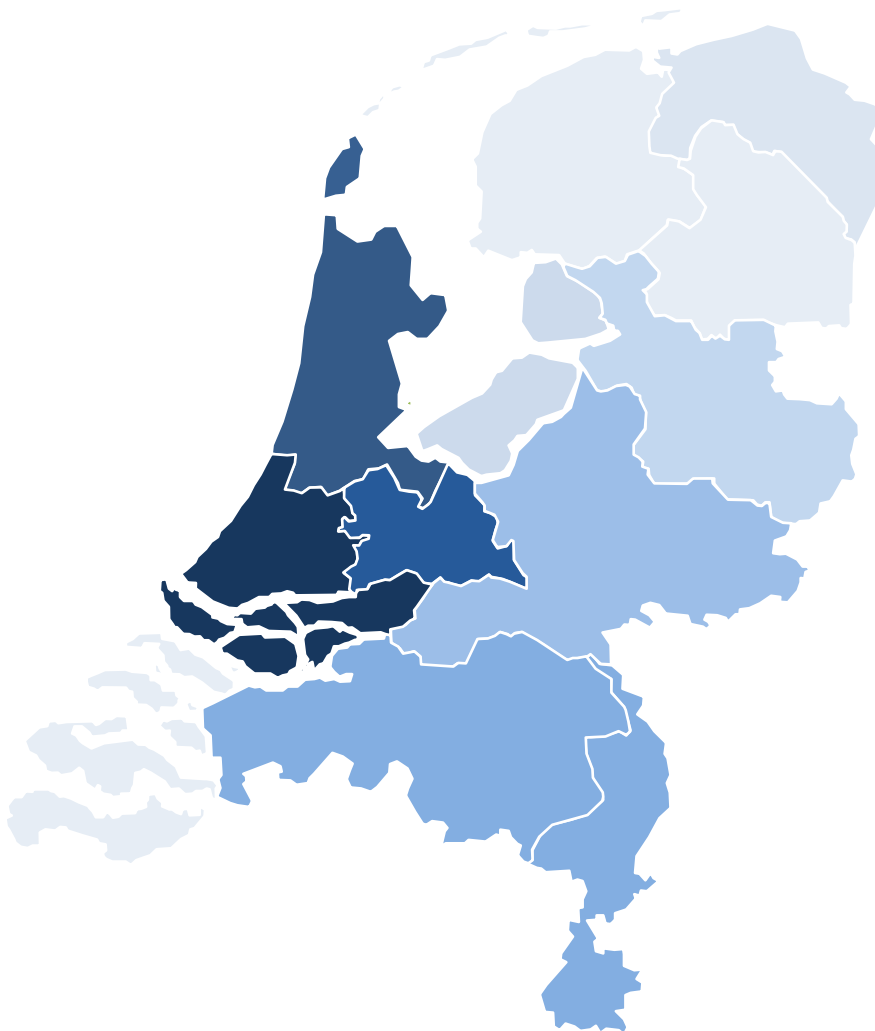




Respondents per region



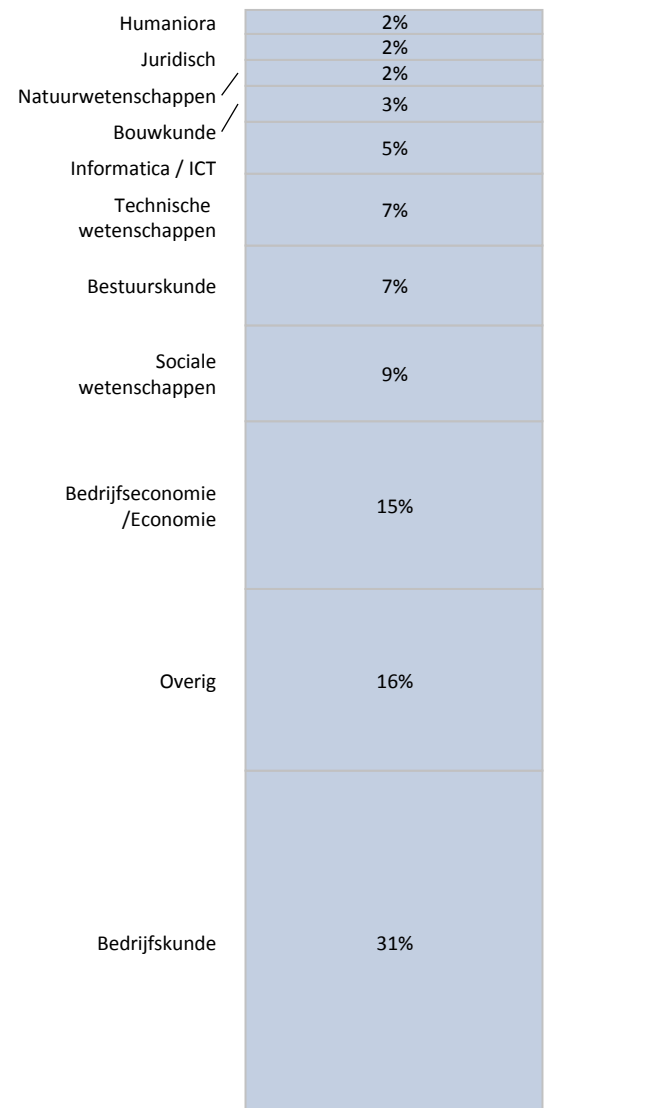
Population density per region



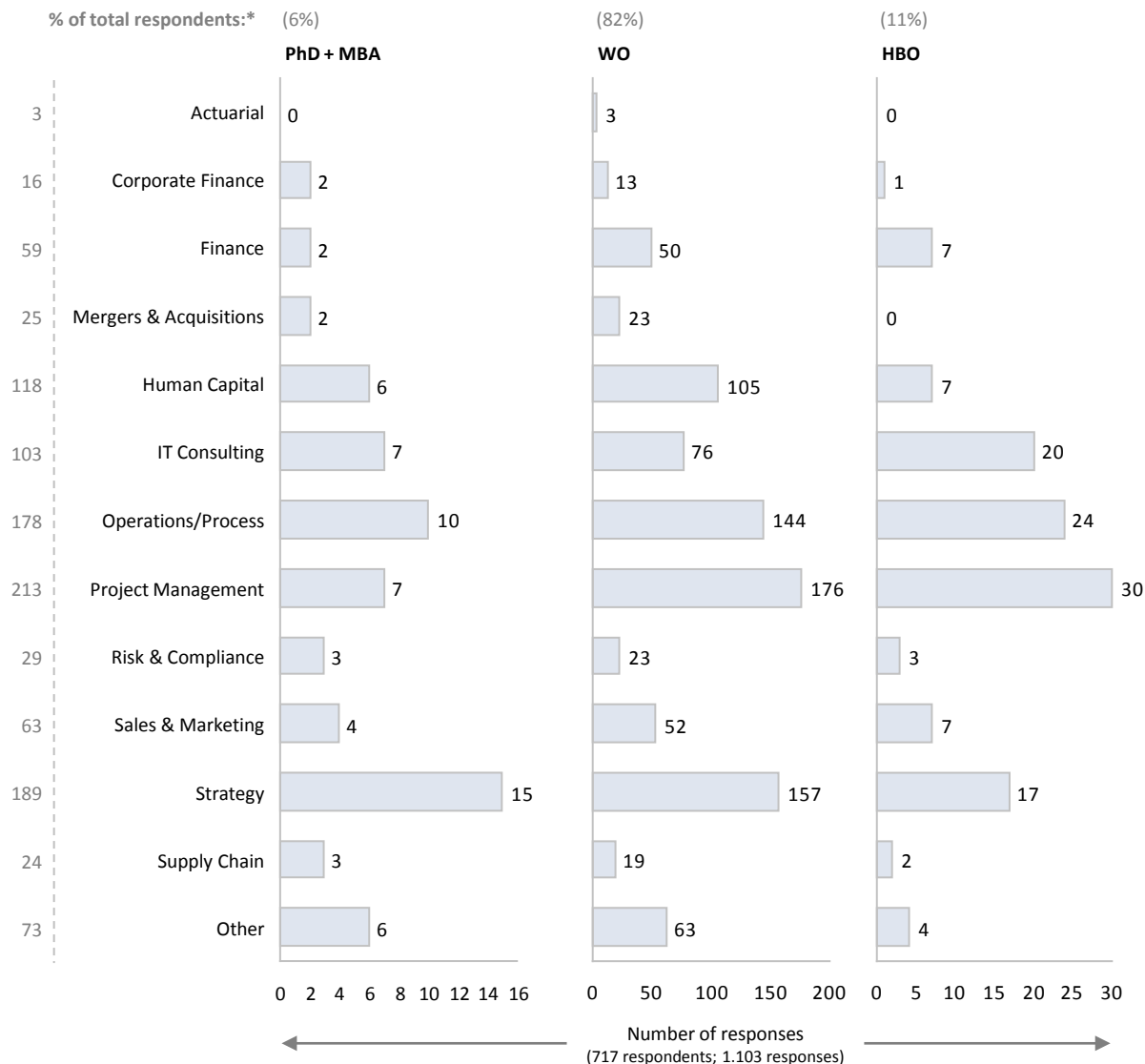
Source: CBS



Specialisation

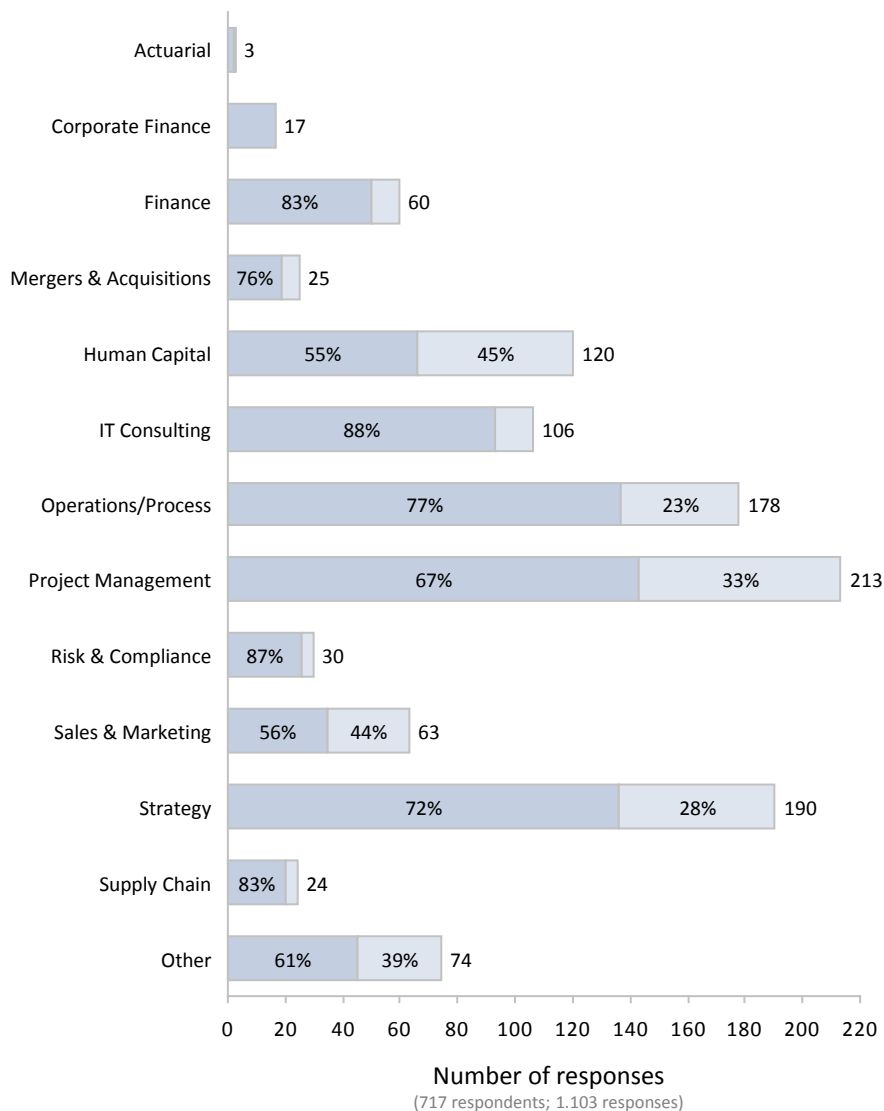


Education level per competency area

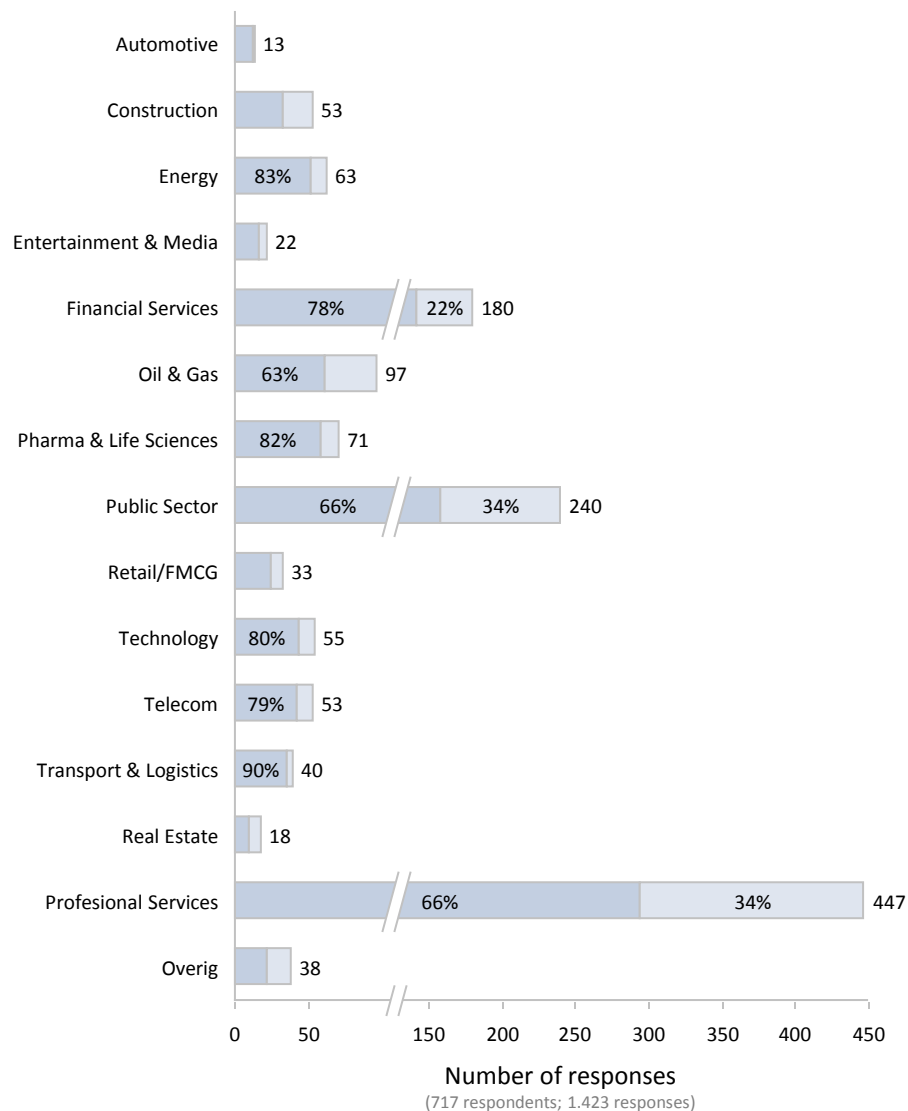


Demographics: Main competency and industry focus

Breakdown of main competency areas



Breakdown of main industry focus



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Consulting HR Market Report

Salaries, Satisfaction and HR Trends

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