Loosening the consulting organisational machinery?
A comparative study of work-life balance practices in two consulting firms

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Résumé1:

This paper contributes to the study of work-life balance practices in very constrained environments such as Professional Service Firms. We start by highlighting the very distinctive features of Professional Service Firms’ incentive system, which is rooted in the 19th c. Cravath law firm and assumes that young professionals are willing to sacrifice their personal life to be eventually co-opted partner. We then show that a few recent studies lead us to question this assumption and wonder whether this specific system may have lost its incentive power. We then ask the following question: Do Professional Service Firms intend to respond to growing demands of work-life balance and how can they, given their very constrained organisation, accommodate them?

Our study is based on the combination of exploratory interviews of 9 Human Resources directors and 6 partners in 9 consulting firms with an in-depth comparative case study of two Finance and Management consulting firms’ practices in the matter. It contributes to the understanding of work-life balance in Professional Service Firms in several ways. First, we confirm that consulting firms are confronted with demands of flexibility. Yet, we find that Human Resources Directors and Partners have two distinct standpoints on the issue: a first group explains this phenomenon is in line with the normal functioning of the up-or-out system, while a second group admits struggling to retain some promising consultants and trying to address their demands. Our comparative case study then shows that consulting firms attempt to accommodate demands of work-life balance and flexibility through a number of arrangements concerning: time, location, project assignment and client relationship management. Given the considerable discrepancy observed between the firm providing financial advice and the firm providing management advice, we then discuss how contingent consulting firms’ capacity to respond to work-life balance demands may be. We go on to propose a framework of analysis of work-life balance arrangements in Professional Service Firms highlighting the role played by the leverage model, fee billing practices, the length of projects and their location, which are all strongly influenced by the type of advice provided. Finally, we discuss the role played by professional service firms’ organisational constraints in favouring or discouraging these arrangements.

Mots-clés: Professional Service Firms, Consulting, HRM, Case Study, Contingency Theory

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INTRODUCTION

One of the main characteristics of consulting firms – and Professional Service Firms (PSFs) in general – is their knowledge-intensiveness (Von Nordenflycht, 2010). Knowledge-intensive firms – in opposition with labour or capital intensive ones – are characterised by their high reliance on the quality and loyalty of their human resources (Alvesson, 2004; Starbuck, 1992). First, individuals are the bearers of this so-called knowledge, which includes the technical knowledge embedded in methods and tools (Werr and Stjernberg, 2003), client-specific and sector-based knowledge (Fincham et al., 2008; Morris and Empson, 1998) or more relational or socio-political know-how (Bloomfield and Danieli, 1995; Alvesson and Johansson, 2002). Given the highly experiential nature of the type of knowledge described above, it is particularly difficult to codify (Empson, 2001; Morris and Empson, 1998) and is lost when individual consultants leave. In addition, in PSFs, professionals are not only key to the delivery of day to day service, but they also directly foster innovation capabilities: Anand et al. (2007) have highlighted the central role played by human resources in developing new lines of business, while Smets et al. (2012) show that choices in terms of career systems are decisive when it comes to developing innovative services. It explains why a lot of emphasis is put on attracting, selecting and retaining key individuals through Human Resources Management systems (Maister, 1993)

In these environments, the incentive system has traditionally relied on a combination of apprenticeship with prospects of high bonuses, promotions and co-optation (Maister, 1993). However, in this paper we show that the incentive power of this system is increasingly questioned by demands of flexibility and work-life balance, which appear to be in contradiction with the mechanical character of the up-or-out form of organising these firms often rely on. It leads us to the following questions: how do professional service firms consider such demands and how can they accommodate them? Through a combination of exploratory interviews with HR directors and partners in 9 consulting firms with the comparative study of two Finance and Management consulting firms, we show that several
arrangements concerning time, location, project assignment and client relationship management can be observed in practice. We then discuss how contingent these arrangements might be and what the organisational condition of their existence is, given the very constrained organisation of PSFs.

1. ATTRACTION, SELECTION AND RETENTION IN PSFS: A WELL-OILED YET CONTESTED MACHINERY

1.1. The traditional incentive system in PSFs

The traditional incentive system of medium to large PSFs takes root in the organisation developed by Cravath in the eponymous law firm at the end of the 19th c. (Swaine, 1946-48a; Swaine, 1946-48b). Dramatic changes in client needs due to the birth of the big corporation and the rise of corporate law, made it poorly productive and unsustainable for partners to remain organised as a collective of independent peers. At the same time, law schools were created and young law graduates would enter the job market every year, looking for work and training opportunities. In this context, combining changes in clients demands and competition for resources, Paul Cravath introduced a new form of organising: law graduates would be employed full-time and work hard in exchange for experience and the possibility of being co-opted partner; while partners would be in charge of organising, supervising work and developing client relations. Perspectives of co-optation became a core component of the incentive model: the best recruits would – after their initial training period – be given the opportunity to become partners and, in exchange, the underlying hypothesis is that they would do whatever it took – in particular in terms of workload – to reach that goal.

The model was later diffused within law and other professional fields (Galanter and Palay, 1992; Hinings et al., 1991; McKenna, 2006; Pinnington and Morris, 2002). PSFs thus traditionally have distinctive structural and incentive features: they rely on more or less formal and strict “up-or-out” systems, organising the professional development and the selection of junior staff all the way to partnership. Different choices can be made in practice regarding starting salaries, bonuses, or the speed of promotions for example, depending on the specific configuration of one firm’s internal and external labour markets (Malos and Campion, 1995). This system, no matter how efficient in organising the selection and retention of resources, is a very constraining organisational machinery in that it requires growth and constant upward and/or outward mobility to maintain its incentive power and preserve both the leverage choices of the firm and its margins (Maister, 1993).
However, as mentioned above, there is some considerable disparity in practice between traditional Professional Partnerships (Greenwood et al., 1990), in which HR are managed by consultants, and more bureaucratised Managed Professional Businesses (Cooper et al., 1996), which tend to have a dedicated team of HR staff and a supposedly less strict up-or-out. There are also some differences between professions themselves, and between small and larger firms (Werr and Schilling, 2011) or firms which have developed different personnel concepts (Alvesson, 2004). However, in spite of these differences, the necessity to organise the development, selection and retention of the best candidates for promotion remains, for both mobility and leverage reasons (Maister, 1993), remains. Indeed, even though a minority of large consulting firms remain Partnerships (Greenwood and Empson, 2003), similar forms of organising are adopted by a larger amount of firms in the field to different degrees for operational or symbolic reasons (Alvesson, 2012; Faulconbridge and Muzio, 2008). In addition, the “up-or-out” principle, as a form of rationalised myth (Meyer and Rowan, 1977) remains key in understanding the way professionals make sense of their careers and how partners make sense of the way their firms should be organised. Yet, although HRM systems in PSFs have been criticised for carrying “identity projects” (Alvesson and Kårreman, 2007), the overall hypothesis that they directly feed into professionals aspirations of quick promotions and high bonuses remains unquestioned.

1.2. Growing demands of flexibility and work-life balance

Work-life balance has been a growing concern for organisations and organisation scholars for the past 30 years (Rantanen et al., 2011). Traditional responses in the matter are social support (Ayman and Antani, 2008), workplace flexibility either in terms of time or space (Kossek and Van Dyne, 2008; Hill and Morrison, 2013), or workplace culture (Andreassi and Thompson, 2008). The way work-life balance can be accommodated by professional service firms given their very specific constraints has, however, rarely been investigated.

Even though such preoccupations might seem incompatible with professional norms of high-commitment and the form of organising of work described above, some studies seem to indicate that they are affecting professional service firms as well. This questions the validity of the assumptions that professionals are willing to do whatever it takes to be promoted, on the basis of which the organisation of PSFs has been built. Michel (2011), for example, showed that although the professionals she followed all started their careers by submitting their bodies to their demanding work routine, some went on to later protect their
health, especially after their bodies had broken down, which led them to modify their behaviour to take their physical limits into account. In her study of the Boston Consulting Group, Perlow (2012) found that many consultants were unhappy about the unpredictability of the work, which prevented them from organising their personal time in a reliable way. She also found that it had a considerable impact on consultants’ ability to project themselves within the firm for the future. Also, others observed that, to accommodate work-life balance, some professionals were looking to reduce their workload (Litrico and Lee, 2008; Litrico et al., 2011). Finally, in a previous study of consulting professionals, the authors found that more than one third of the consultants interviewed had concerns about their work-life balance.

There are still little empirical investigations of this phenomenon while a number of environmental pressures may increase such concerns. Indeed, since the 80s, PSFs have been facing cost pressure (Powell et al., 1999; Stumpf et al., 2002), which impacts growth and in turn prospects of quick promotion and bonuses. There is also substantial institutional pressure to take work-life balance into account, as the wide range of “best employer” rankings and their number of PSFs applicants attest. There has concomitantly been a feminisation of the workforce in PSFs (Bolton and Muzio, 2008), which may increase specific needs to combine a demanding career with motherhood. Finally, it is also possible to wonder whether the younger consultants – belonging to the so-called “Y generation” – might hold different expectations than their predecessors (Twenge and Campbell, 2008).

So far, a limited number of studies have looked at the way PSFs, given their distinct features, might respond to these demands. Only two modalities have been identified: the Predictable Time-Off (Perlow, 2012) and the reduced workload (Litrico and Lee, 2008; Litrico et al., 2011). Predictable Time-Off approach stipulates that by organising structured dialogue all along projects, teams can organise themselves so that consultants can benefit from one predictable night-off every week and thus make plans they won’t have to cancel. However, they do not allow professionals to plan regular activities nor accommodate family life and although they may improve consultants’ sense of work-life balance by allowing them to plan a night out once a week, such a response is not structural in nature. Also, in their study of professionals with flexible working arrangements, Litrico et al. (2008, 2011) found reduced workload had a limited success, which they attributed to a lack of acceptance of firm-wide policies by local partners. They however did not investigate how work-life balance could be sought more informally in practice. As a result, there is first of all a need to confirm
that work-life balance and flexibility are issues which directly impact Professional Service Firms, before we go on to analyse how they can be addressed.

This leads us to formulate the following questions: Do PSFs intend to respond to growing demands of work-life balance – if confirmed – and how can they, given their very constrained organisation, accommodate them?

2. METHODS

To answer this question, we have proceeded in two phases: a first exploratory phase involving interviews with HR directors and partners and a second phase involving the in-depth case study of two consulting firms.

2.1. A first exploratory phase with HR directors and Partners in charge of HR

The first phase was exploratory and aimed at finding out whether consulting firms were confronted with demands of flexibility. We also aimed at identifying consulting firms that would have decided to act upon it. We initially contacted a number of consulting firms, among which 9 HR directors and 6 partners in charge of Human Resources, in 9 consulting firms (for detail see appendix A) agreed to be interviewed. We used a semi-directive interview guide to cover the history of each firm as well as its HRM practices (in particular regarding recruitment, selection, evaluation, promotion, development and retention) and whether work-life balance was an issue for them. These interviews were systematically conducted in their premises and could not be recorded for confidentiality and sensitivity reasons. However, extensive notes were taken and systematically transcribed verbatim within 24 hours of the interview and aggregated whenever several of the authors were present. Given the small size of the data set, interviews were openly coded by hand to identify key recurring themes and regroup consulting firms according to their standpoints on the issue. Such themes were for example: unwanted turnover, reasons evoked by consultants when leaving the firm, demands of flexibility/work-life balance, relationship between partners and HR, etc.

2.2. A second phase: the comparative case study of two consulting firms

A multiple case study approach (Yin, 2009) was adopted for the second phase. Given differences in the type of advice provided by both firms, contrasted results were expected. The data set includes 6 meetings with HR directors and CEOs, 39 interviews with consultants at all levels of the hierarchy (from junior consultant to partner), members of the support staff and alumni of both firms (for detail see Appendix B). Finally, it also includes documentation
Intra case studies were conducted by identifying the work-life balance practices of each firm, both in terms of formal policies (by contrasting the managerial discourse with the experience of the consultants we interviewed) as well as informal practices through consultants’ accounts. This allowed us to identify a number of practices regarding time, space, project assignment and client relationship management. This led to a presentation of findings to HR directors and managing partners in both firms, before a cross-case analysis could follow to account for similarities and differences in the practices identified.

2.3. Research settings

- Finance Consulting

Finance Consulting is a French mid-sized consultancy providing big corporations with financial advice (transactions, litigation, evaluation, etc.). It was created about ten years ago and employs around 200 consultants. It is now present in about 10 countries. Finance Consulting is a professional partnership of a little less than 20 partners. The choice was made a few years ago to limit shares’ transfer facility, which means that no partner can make any profit from selling their shares. Finance Consulting’s growth has varied between 10 and 20% for the past few years.

Finance Consulting operates with an informal up-or-out rule: promotions all the way to senior manager positions are “systematic” as long as evaluations are good. However consultants who are not considered performing enough are asked to leave. Most of the time, they will be given time or even helped to find another job. Given their growth, they do not need to organise a formal competition among the best of their resources. During the junior years, there will even be very little differentiation between consultants who will be recruited at the same salary, promoted collectively and granted similar bonuses. Consultants are usually recruited from the top French business schools and Finance Consulting mostly competes on the labour market with investment banks.

Junior consultants are polyvalent and progressively tend to specialise into one or two lines of services. Project assignment is handled directly by partners in collaboration with a staffer. Every Monday, based on the information provided by the staffer regarding the availability of the staff and any other relevant information (for example wishes from some consultants to be assigned projects in a specific area), partners review all projects one by one in order to assign

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2 For anonymity reasons, the exact name of the ranking in question cannot be provided.
new projects their team and to ensure both the optimisation of the workforce and the quality of the delivery for on-going projects. Projects are usually short (3-4 weeks on average) and often conducted from the office thanks to electronic data rooms. In general, the level of interactions with clients is relatively low. There are, however, some distinctions between service lines: recovery and litigation projects tend to be longer and recovery ones are almost always conducted from the clients’ premises. Projects however all typically involve the supervision of a Partner, the project management of a Manager and the work of an associate and an analyst. Partners are relatively involved in the production of the work, given the low replicability of assignments: a tailor-made reasoning needs to be made project after project.

- **Management Consulting**

Management consulting is a French mid-sized consultancy providing clients with management and organisation advice. Their assignments are diverse (both in terms of service lines and sectors), but usually involve some project management and IT components. It was created about ten years ago and employs around 150 consultants. It only has offices in France, but they regularly conduct projects abroad. Management Consulting used to be a professional partnership (with about 10 partners) but transferred more than two third of its shares to a private owner a few years ago. Its growth has exceeded 10% for the past few years. It also operates with an informal up-or-out rule: consultants who are not considered performing are told the level on which they should improve and a discussion follows on how Management Consulting can help them do so. The up-or-out rule is informal in that consultants are usually warned several times when their performance is judged insufficient so that they either understand they won’t be promoted and decide to leave on their own or they are finally asked to look for another job if the situation doesn’t improve. Promotions at each level of the hierarchy directly depend upon the growth of the firm. Consultants are usually recruited from top French business schools and Management consulting’s competitors on the job market are mostly other consulting firms (strategy, IT and management).

Consultants at all levels are supposed to be polyvalent and specialisation into sectors is rather informal and left to the organisation of consultants themselves. Partners assign consultants projects during the partner’s meeting, according to the budget agreed with clients (in terms of days and consultant profiles). Projects are usually quite long (between 6 months and 2 years) and often imply full-time presence on client sites, given the highly interactional nature of Management advice. The size and composition of teams can vary depending on projects.
For a comparative overview of the two firms see table below:

**Table 1: Comparative description of Finance Consulting and Management Consulting**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Finance Consulting</th>
<th>Management Consulting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key elements</td>
<td>Creation: 10 years ago</td>
<td>Creation: 10 years ago</td>
</tr>
<tr>
<td></td>
<td>French firm with international offices</td>
<td>French firm, operating abroad</td>
</tr>
<tr>
<td></td>
<td>About 200 consultants worldwide</td>
<td>About a 100 consultants</td>
</tr>
<tr>
<td></td>
<td>Growth: between 10 and 20%</td>
<td>Growth: between 10 and 20%</td>
</tr>
<tr>
<td>Governance</td>
<td>Partnership, shares with limited transfer facility</td>
<td>Partnership + private owners</td>
</tr>
<tr>
<td>Type of advice</td>
<td>Financial advice</td>
<td>Management and Organisation advice</td>
</tr>
<tr>
<td>Leverage</td>
<td>High proportion of senior profiles</td>
<td>Relatively high proportion of senior profile, yet inferior to Finance Consulting</td>
</tr>
<tr>
<td>Staffing rate</td>
<td>High all the way to senior manager</td>
<td>High all the way to senior manager</td>
</tr>
<tr>
<td>Billing rates</td>
<td>High</td>
<td>Pressure on cost</td>
</tr>
<tr>
<td>Average length of projects</td>
<td>3-4 weeks</td>
<td>Between 6 and 18 months</td>
</tr>
<tr>
<td>Location of projects</td>
<td>Variable between service lines, usually from the offices</td>
<td>Usually from the clients’ premises</td>
</tr>
</tbody>
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3. FINDINGS

In this section, we first show how the 9 HR directors and 6 partners we interviewed confirmed the existence of work-life balance and flexibility demands from consultants but had two very different stands on how to respond to them. In the following section, we go deeper into the kind of responses made by Finance Consulting and Management Consulting.

3.1. Contrasted work-life balance approaches

First, the Human Resources directors and partners we met unanimously reported being confronted with what can be broadly labelled “work-life balance issues”:

“They say they have a great opportunity but if they have accepted to meet with a recruitment consultant when they had been contacted 5 times before and never did you can wonder why they said yes this time? Sometimes they loose the passion, but more fundamentally, it’s about the lifestyle. Consultants don’t manage their own time, they travel a lot, they feel they live inside a washing machine.” (HRD, Strategy Consulting 1)

“There are more and more demands of this time. There’s a new generation, I think, that is less committed. It’s positive in a way because they want control over their lives and they say no more than before. If a project is 1 hour and a half away from their house, they will refuse it. We have to take it into account, especially concerning children and sports.” (Partner, IT Consulting)
They all claim that when consultants quit, they do so to leave the consulting industry as a whole. They often say they believe it means that their consultants don’t hold anything against them – because they would leave to work for the competition if they did – and that they are simply fulfilling aspirations to take on more operational roles. Nonetheless, when going deeper into the reasons why consultants quit their jobs, they all admitted that work-life balance was one of the main reasons underlying consultants’ departures (with their wish to take on more operational roles as mentioned, along with disappointment regarding the speed of promotions). Many, however, insist that they only learn about it once consultants have already decided to leave because normative pressures regarding availability are so high that these demands are difficult for consultants to explicit before.

“It’s rare that consultants come and talk to me about this, because either they think “it’s part of the job” or they think other people are dealing with the same things and they’re tired too, as much as them, so they’re not going to complain about it. They only talk about it when they leave.” (HRD, Strategy Consulting 3)

These demands seem to concern particularly: heavy workloads, flexibility, the lack of predictability of the activity, and wishes not to travel due to specific circumstances.

There were two ways to look at this in our sample. A first group of 4 HR directors explained this is a natural phenomenon in PSFs: if the workload and the work pace aren’t satisfactory anymore, then it is best for both parties to end the relationship and this is nothing but the normal functioning of the up-or-out system. They said they cannot accommodate work-life balance aspirations (and sometimes even explained penalising them) because service delivery comes first. They insisted that solutions could be found to accommodate work-life balance at the individual level and that consultants should organise themselves within their project teams to take into account each others’ constraints, and that they should be discussed at the beginning of each project. Any arrangement going further should be negotiated directly with the client without any official help from the firms, since doing otherwise would generate unwelcome needs and demands:

“Some women (with children) are lucky and they are assigned projects which cause no difficulty for them. Others try to handle the situation. But you know, very often, clients understand. But clients manage this, we don’t. Our business constraints aren’t politically correct. Someone with this kind of problems is going to struggle to survive here, we’re not the kind of firm which can afford that (…) I try to find solutions when there is a problem but I am not going to take care of things which are not explicitly asked or I will generate a need.” (HRD, Banking Consulting)
“Some people have good reasons not to want to be assigned a specific project. So they come to see you and say « I would like to avoid travelling for a while » or « I would like this type of project » and we’re going to do the exact opposite without explaining. They need to have a certain capacity to play the game. It requires full commitment.” (HRD, Strategy Consulting 2)

A second group of 5 HR directors explained trying to be vigilant to try to detect these situations and address them, preferably with the support of partners. They explained that it was not always an easy task because granting specific needs in terms of flexibility; workload or project assignment can sometimes be in contradiction with economic imperatives or go against the way partners believe the job should be done.

“When a consultant’s workload is excessive, or they’ve had to travel a lot or whatever else, then you can think that if you have the choice between several projects, you’ll try to make the next quieter. Sometimes even during the project, if the workload is very important, you can try to help the consultant take on less work or even help them exit the project in emergency. It’s not easy but you can try. It’s hard cause usually partners don’t like that too much, because they need to explain the situation to the client.” (HRD, Operational Performance Consulting)

“If I want to allocate someone extra rest days, I have to negotiate with partners. Their approaches are variable. Some say « when I started there was no computer and we had to make all modifications by hand » or « I had 4 projects at a time when I was Managers ». And others say they love the job and it’s not necessary to suffer if it can be avoided. So there’s conflict sometimes!” (HRD, Strategy Consulting 3)

Measures they reported implementing are in particular: allocating extra days off after a difficult project, allowing consultants to take sabbatical leaves or trying not to assign consultants two difficult projects in a row, or even re-assigning consultants when their health might be at stake. These practices involve a lot of case-by-case treatment and adaptation to the personal situations of consultants. This “individual negotiation”, to take the words used by one HRD, will depend on the constraints of the firm at a given time (availability of other consultants, needs on projects…), but also on the perceptions partners will have of that specific consultant: consistent effort will be more easily made for consultants who are considered promising and they wouldn’t want to see quit. It mainly aims at limiting the negative consequences of the activity on work-life balance as much as possible rather than to actively accommodate it. One HRD summarised how many of them said they felt:

“Every three or four years, we have a work-life balance work stream. And if you look at it, every time the same things are said. So we don’t revolutionise the system... We try to make people understand the organisation is one system, but there are others.” (HRD, Strategy Consulting 1)
At this stage, it appears that the HR Directors whom aim to respond to their consultants’ concerns about work-life balance can mostly do so by treating issues on a case-by-case basis. They report struggling with organisational constraints such as the very low level of availability of their consultants imposed by staffing targets (which prevents them from allocating extra resources when needed, or granting people’s wishes in terms of project allocation). They also report struggling with contrasted perspectives on the issue from part of partners who are more or less willing to discuss individual cases and find solutions. Among those firms were, however, two consulting firms that claimed being particularly careful with the well-being of their consultants and allowed us to investigate further into the kind of responses they could provide their consultants with.

3.2. Work-life balance practices in Finance and Management consulting

Overall, a number of arrangements could be observed concerning time, location, project assignment and client relationship management in both firms. We will describe these arrangements and insist on the conditions that make them possible in each one of the firms.

- **Time**

  Both firms allow their consultants to take *sabbatical leaves* to travel or do voluntary work. This is quite easy given the project-based nature of consulting work, provided it is anticipated long enough in advance and these consultants do not have unique knowledge or experience. One consultant in Finance Consulting, for example, explained that when she informed her partners of her wish to do voluntary work abroad for several months, not only did they allow her to do so but they also funded the project. In exchange, she agreed to organise her departure according to project constraints and she left one week after the delivery of an important report. One condition for it to work seems to be polyvalence for consultants to be replaced easily. Indeed, in another case, a consultant from the same firm asked for a sabbatical leave which was accepted, but then kept being postponed because this specific consultant was one of the only consultants with financial modelling competences, so they had to recruit someone and train them before the sabbatical leave could be granted, which in turn led to this consultant leaving the firm before he could be replaced.

  *Extra rest days* are also often allocated after a difficult project phase; which is also generally relatively easy to implement since it takes place either at the end of a project and before another one starts or in the end of a project phase when there is usually less work. It is, however, in both firms dependent upon project needs and the availability rate: if the
availability of resources is very low then there might be needs on another project or a new assignment may be coming right after the end of the previous one, which prevents consultants from using these extra rest days. If availability is a little higher, then there are usually more options in terms of which consultants to assign which project and when. This staffing rate itself depends both on managerial decisions of partners and on the level of the sales activity.

Part-time work could also be observed in both firms: annualised in Management Consulting and both annualised and weekly in Finance Consulting. Annualised part-time work is manageable for both firms since it implies taking more holidays, according to project load. It is either directly taken into account in the staffing process in Finance Consulting, in coordination with consultants, since projects are relatively short and the time left between projects is left to the discretion of consultants. In Management Consulting, consultants handle it directly, since projects are longer and conducted on site, time off is negotiated with clients. One partner of Management Consulting, for example, explained that when his children were younger, he used to take days off during school holidays so he could be with them and that he would warn his client long in advance, ensure this would not be prejudicial to the project and that it could be managed smoothly given the length of the project (several years) and the relationship he had managed to build with his client. Weekly part-time work – to a limited extent – could be found in Finance Consulting but made the organisation of work challenging. Finally, in both firms some consultants tried to have a flexible schedule (arriving after others or leaving earlier). It appeared to be more difficult in Management Consulting because work is more client-facing. It means that consultants who want to arrive later or leave early and perhaps re-work from home if necessary will need to ensure it has no impact on the client’s perception of the quality of the service delivered, which they reported was very difficult. In both firms, however, this practice was subject to the acceptability of partners and consultants reported working with specific partners rather than others to make it work. One partner in Finance Consulting for example told us that one of his Managers who needed to leave at 7pm to pick-up her children and that whenever there was a conference call after 7pm he told her he would conduct it alone so she could leave.

Location

Teleworking is not possible in Management consulting given the client-facing nature of the work. However, in Finance Consulting, a limited number of exceptions can be made for consultants who live far away, provided it only involves one day a week and consultants
remain reachable. One consultant, for example, reported working from home at least once a week but agreeing for this day not to be fixed to adapt to project work and how many interactions would be needed to accomplish a specific task. It proved all the more difficult than she was a Manager and had to supervise the work of more junior staff.

In parallel, a limited travel policy has been implemented in Finance Consulting for mothers, which implies that projects involving travelling are assigned in priority to other consultants. The consultants we met who benefited from this informal policy reported travelling very rarely but accepting to make compromises whenever no other arrangement could be found by the staffer because other consultants were not available or do not have the experience required. Management Consulting aims to do the same, yet they are more constrained in terms of project assignment because their projects are on average considerably longer, and their staffing objectives are very high so they usually have few consultants available at a time when a project is about to start and less projects starting at the same time, which limits the number of options. This policy, although informal, was subject to criticisms by some consultants who were single and did not have children. One of our interviewees, in particular, explained having left the firm because she was systematically assigned projects which weren’t work-life balance friendly or having to be the only one to stay late in the office while others went back home to take care of their families.

In Finance Consulting an arrangement for projects involving more than 3 weeks away from the office is currently being explored: duplicate teams. A first team is sent to the client site before the other one takes over for the second half of the project. It implies assigning two teams to the same project for a few days so the project can be transferred from one team to the other, while billing the client for one.

- Project assignment

In Finance Consulting, there is to some extent an individualisation of the staffing process: individual wishes and personal circumstances are taken into account whenever possible: for example, projects which are compatible with flexible arrangements will be assigned to consultants who have requested it in priority. It implies that consultants need to make their preferences known either directly to the staffer, to their coach, their project manager or partner who will then discuss it with the staffer and other partners. It is to a more limited extent also the case in Management Consulting where projects away from Paris are usually not assigned to women when they come back from maternity leave. But preferences in terms
of work team, client, content or sector (which can directly impact work-life balance) are usually not considered in Management Consulting because, as mentioned before, given the length of projects and the level of availability of the consultants, there are very limited options when matching projects with consultants. As a result, even though consultants try to let relevant interlocutors know about their wishes (in particular project managers and coaches), they know they cannot always be granted, which leads to informal staffing strategies: consultants try to influence decisions by mobilising their internal network and trying to get specific partners to assign them to their projects, depending on their line of service, their work-style, their clients or their sectors.

In both firms, the *assignation of extra-resources* to support a team struggling with workload is possible. It is however more systematic in Finance Consulting: projects are reviewed weekly and resources re-allocated when necessary without re-negotiating fees with the client. Every Monday, during the partners’ meetings, partners discuss all projects and whether resources should be re-allocated between them to re-equilibrate the workload if needed and ensure deadlines can be met. In Management Consulting, however, this practice is less systematic because the composition of the project team is defined at the start of each project and any change will usually involve the re-negotiation of the contract with clients because it is not common to assign resources without billing them.

Also, both firms exceptionally practice *emergency exits* from projects whenever a consultant is at risk. If they get the sense that a consultant is struggling with a project because of the workload to the extent of putting their health at risk, either because this consultant said so or because the project manager or team mates have warned relevant interlocutors, then they can be replaced by another consultant in emergency. This is, however, easier for Finance Consulting to find a replacement quickly than for Management Consulting, because of the differences in availability rates exposed above.

- **Client relationship management**

  In both firms, the conditions of projects can be the object of *renegotiations*. Whenever considered necessary, the perimeter, the budget or the deadlines can be re-discussed between partners and their clients. This practice however seems to be partner-dependent, and may also vary depending on the nature of the relationship with the client in question and how important they are for the firm.
Also, in Finance Consulting, when the partners believe a project cannot be done in what they consider to be acceptable conditions or if their consultants are already very busy with ongoing projects, they set too high a price so they know other firms will be more competitive and win the project. It allows them to regulate the workload without their reputation being affected. However, they admit that they do not allow themselves to do so with any client.

As a consequence, as the table below shows, although both firms intend to take work-life balance demands into account, it appears that Finance Consulting has implemented more arrangements or can go further in implementing them than Management Consulting:

Table 2: comparative work-life balance practices in Finance Consulting and Management Consulting

<table>
<thead>
<tr>
<th>ARRANGEMENT</th>
<th>Finance Consulting</th>
<th>Management Consulting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sabbatical leaves</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Extra rest days</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Annualised part-time</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Non-annualised part-time</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Flexible schedule</td>
<td>✓</td>
<td>Difficult</td>
</tr>
<tr>
<td><strong>Space</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teleworking</td>
<td>Limited</td>
<td></td>
</tr>
<tr>
<td>Limited travel policy for mothers of young children</td>
<td>✓</td>
<td>When possible</td>
</tr>
<tr>
<td>Duplicate teams</td>
<td>Currently experimented</td>
<td></td>
</tr>
<tr>
<td><strong>Project Assignment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individualisation</td>
<td>✓</td>
<td>Difficult</td>
</tr>
<tr>
<td>Assignation of extra resources</td>
<td>Yes, no renegotiation of the contract needed</td>
<td>In extreme cases, renegotiation of the contract needed</td>
</tr>
<tr>
<td>Exit from projects</td>
<td>✓</td>
<td>Long to organise</td>
</tr>
<tr>
<td><strong>Client relationship Management</strong></td>
<td>Renegotiations</td>
<td>Depending on partners</td>
</tr>
<tr>
<td>Prices adapted to availability rates</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

In the following section, we will aim to account for such a discrepancy and discuss the conditions of existence of these arrangements.

4. DISCUSSION

4.1. Towards a contingency theory of work-life balance in professional service firms
Finance Consulting appears to go further than Management Consulting in implementing these arrangements for several reasons. A first explanation can be found in the fact that Finance Consulting’s founding partners, appear to be particularly sensitive to this topic on the personal level and to believe consultants do a better job when they are satisfied, which implies, among other things, protecting work-life balance when possible. This is probably reinforced by the characteristics of their labour market since consultants who had joined Finance Consulting rather than investment banking often explained that they chose consulting because they wanted a better work-life balance. Indeed, investment banks are known for their very demanding work routines (Michel, 2011). As a result, Finance Consulting use their individualised management approach as an argument in the recruitment process, along with the fact that promotions are rather collective during the first years, which shows that individual arrangements are not prejudicial to the career, at least at first. In Management Consulting, the will to favour the well-being of consultants was present, but was not openly claimed as much as in Finance Consulting and many arrangements, such as sabbatical leaves, were looked at as inevitable rather than actively sought. This managerial will to address work-life balance issues and how rooted it is in the organisational choices made by the firm will directly impact two core elements of the arrangements that consulting firms can offer: client relationship management and project assignment. Indeed, for some arrangements to be implemented, partners need to be able to make clients accept them. It is for example not necessary that clients will spontaneously accept to have two teams handle their projects because the firm is duplicating them. This is all the more unusual that in professional service environments, clients always come first and internal management issues are usually hidden from them (Maister, 1993). Also, the role of partners is key in the project assignment process because they always have the last word concerning resource allocation and without their will to take individual wishes and constraints into account in the process, very little can be achieved.

Managerial will is thus a core element explaining why some firms choose to embrace work-life balance arrangements more than others. However, managerial will alone cannot account for the discrepancies observed earlier in both firms’ practices. Indeed, a number of more contingent factors appear to explain the margins firms have when addressing work-life balance demands from part of their consultants. First, billing rates are considerably higher in the finance advice industry than in the management one. In addition, Finance Consulting has
adopted a top-of-the-range strategy, which reinforces this gap. In parallel, management and organisation advice have been subject to increased competition, pressure on costs and has been facing the tendency from clients to develop management advice teams in-house (Stumpf et al., 2002; Powell et al., 1999). The fact that margins are relatively high in Finance Consulting facilitates the attribution of extra rest days, the allocation of extra resources or the use of duplicate teams for example. These practices obviously impact profits, and could not be implemented without managerial will, but are easier to implement with high margins.

Second, there are also differences in leverage: finance advice involves slightly more senior work in the delivery of services. Even though partners do not work full-time on projects and dedicate a lot of time to client relationship management and business development, they are very often directly involved in the production of financial analysis, usually by contributing to structuring the reasoning of each case and controlling the rigour of the results, in particular given little codified the cases can be. In Management Consulting, the composition of project teams can vary but it is very rare for partners to work on site with their teams full-time. The leverage characteristics of Finance Consulting and the nature of the work facilitate work-life balance policies in that there is also more proximity between partners and their teams, which helps consultants raise specific concerns regarding the workload, or let relevant interlocutors know about any personal constraints they might have. It also helps partners to remain in direct control of the way the project is managed. Also, if a higher proportion of workers is relatively senior, they are more autonomous and can more easily benefit from flexible arrangements regarding work location or time.

Finally, the characteristics of projects themselves differ: Finance projects are usually short (3 to 4 weeks on average), while Management projects rarely last less than six months. Since Finance projects do not last very long, it costs consultants less when their wish cannot be granted or when they have to make a compromise. Also, it means that there is a higher rotation of projects and project teams so there are more options to match projects and individuals. Finance projects are also very often conducted from the consultancy’s offices, given the relatively low interactive nature of the work between consultants and clients, while Management projects are often – at least for junior and senior consultants – conducted via full-time presence on clients’ sites and require constant interactions. This is a considerable difference when it comes to work-life balance arrangements in that working from the consultancy’s offices limits travel and above all frees consultants from having to manage
Table 3: Proposition of a contingency framework of analysis of work-life balance arrangements in Professional Service Firms
clients’ impressions (Clark, 1995; Clark and Salaman, 1998) by enacting expectations of reactivity, availability and hard work (Alvesson, 2001). It also prevents partners from having to negotiate specific arrangements with clients: service delivery occurs in the “back-stage” (Clark, 1995), which allows for a number of practices which would otherwise be considered counter-normative, such as part-time work, teleworking or flexible schedules for example. This is reinforced by differences in the nature of the service delivered itself, which is particularly intangible in Management Consulting (Sturdy, 1997), and explains clients’ needs to remain in direct control of consultants and consultants’ needs to manage impressions of professionalism through availability, reactivity and long work hours (Alvesson, 2001).

On this basis, we have built a proposed framework of analysis of work-life balance arrangements in professional service firms highlighting the role played by the nature of the service provided in firms’ capacity to handle such demands (see table 3). As a result, following the argument made by du Gay and Vikkelsø (2014; 2013), call for the consideration of differences in the nature of tasks when considering the adjustment capabilities of PSFs and argue against the existence of a “one best way” of organising professionals.

4.2. Can the professional organisational machinery be loosened?

Our findings also question the extent to which, even when the nature of the advice provided facilitates it, like in the case of Finance Consulting, the professional organisational machinery can be loosened. Indeed, as reported by the HR directors we met and confirmed in our case studies, the arrangements we have identified are usually used on a case-by-case and mainly informal basis. First, individual consultants let relevant interlocutors (HR directors, partners, project managers or coaches) know about their wishes to either work flexibly, have a reduced workload, work with certain clients, avoid travelling, avoid mediatised projects (which usually imply heavy workloads, pressure and tight deadlines), etc. Then, the HR director/the staffer and the partners will discuss whether this specific demand can be granted given business imperatives and project needs and whether it should be granted or not (without risking to loose a promising consultant). Since this process isn’t systematic, Finance Consulting’s capacity to handle this case-by-case negotiation process is thus limited, and the process itself has already reached a point where it is similar to a “giant Tetris game”, as the staffer told us. So far, favouring work-life balance implies making use of the slack (Cyert and March, 1963) provided by the nature of the activity. To some extent, Finance Consulting also tries to increase slack through specific organisational and managerial choices, such as
duplicating project teams, or systematically reviewing needs of re-allocation of resources on each projects every week.

As a result, the number of individuals benefiting from these arrangements remains limited, these practices often informal (except regarding sabbatical leaves or part-time work), and to some extent, the responsibility is often left to consultants to manage their own work-life balance and find their own way to get their practices accepted, as already addressed by Whittle (2005). So far, the arrangements in place in Finance Consulting are rather idiosyncratic deals (Rousseau et al., 2006) made for specific individuals with potential rather than entirely novel Human Resources policies. However, both Finance Consulting and Management Consulting’s managing partners fear the number of demands are going to rise in the up-coming few years since the consultants who are currently benefiting from specific arrangements may act as role models for younger consultants who may then consider possible a behaviour currently looked at as counter-normative (Ibarra, 1999). For these arrangements to be more systematic and offered to a larger amount of individuals, Finance Consulting would probably need to actively manage the level of availability of their consultants to facilitate the allocation and re-allocation of resources. They may also need to revise their recruitment policy: for projects which are more demanding in terms of workload because of their deadlines, their media coverage, their clients, their location or their budget to remain attractive, the workforce has to be sufficiently diverse in terms of work-life balance aspirations so that the work-life balance of some consultants isn’t achieved at the expense of others’ and that the fairness of these practices isn’t questioned.

Also, if they were to generalise these practices, Finance Consulting would probably need to reflect upon their impact on the functioning of the informal up-or-out rule. Indeed, as mentioned earlier, the incentive system PSFs rely on is traditionally based on the internal competition of consultants, and on comparability of their performances. However, generalising work-life balance arrangements may question the nature of the implicit commitment evaluation criteria at the heart of the model and whether consultants should benefit from the same career advancement if they do not have the same level of commitment in terms of availability, reactivity and capacity to handle heavy workloads.

As a result, the limited success of alternative work arrangements observed by Litrico and Lee (2008) appears not to be only due to the decentralisation of power in PSFs, which allows local entities not to follow company-wide policies, but also to the inherent constraints imposed by the nature of the professional activity and the organisation. These specific constraints should
be investigated further to better understand how to respond to the challenges induced by changes in consultants’ expectations and willingness to sacrifice their personal life for their careers.

**CONCLUSION**

Through this study of the work-life balance practices of consulting firms, we have questioned the ability of traditional incentive systems – relying on promises of professional development on one side, and promotions, bonuses and prospects of co-optation on the other – to remain attractive and retain the most promising resources, given their rising concerns for work-life balance. We have shed light on two different viewpoints of HR directors and partners of these firms: they either consider that this is a natural phenomenon within an up-or-out system or believe that they need to address work-life balance demands if they want to remain in control of the output of the up-or-out. Through a comparative case study of two consulting firms providing Finance advice on one side, and Management advice on the other, we have then identified the four main dimensions of work-life balance practices of consulting firms (time, location, project assignment and client relationship management) and shed light on the informal and individual nature of these arrangements. In this paper, we contribute to the study of work-life balance in professional service firms by proposing a contingency framework of analysis of work-life balance practices highlighting the role played by the type of advice delivered in the existence of a slack firms can use to address individual needs. We also highlight the role played by the specific organisation of professional service firms in constraining these firms when confronted to work-life balance demands.

However, given the sensitivity of the topic and consulting firms’ reluctance to discuss it, we have only been granted a limited access outside of Finance and Management consulting and further studies may be needed to reinforce the generalizability of our findings to other types of advice industries (IT consulting or strategy consulting for example), and to other professional service firms, such as law and auditing for example. Also, our findings raise a number of questions, which call for further research. Indeed, both Finance and Management Consulting appear to be limited by their organisational model in their attempts to take work-life balance into account and a new avenue for research would be to investigate whether more “radical” alternatives can be identified, which would allow for larger amounts of cases to be handled. Would, for example, a new division of labour be possible and contribute to lessen the workload, like the “staff attorney track”, which was introduced by Jones Day so routine
work would be handled by less qualified staff outside of the partner track to face a shortage of resources (Sherer and Lee, 2002)? Also, our findings question the nature of the advice provided by management consultancies, which is increasingly commodified and has reduced these firms’ slack and along with it their adjustment capacities. Another area for further investigations concerns the possibility for less standardised career tracks to be introduced in these environments, which remains an open issue so far. Finally, it appears important to have a more precise understanding of the exact nature of the work-life balance demands of professionals for organisational responses to be relevant.

REFERENCES


Appendix A : sample description

<table>
<thead>
<tr>
<th>Firm</th>
<th>Size</th>
<th>Interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking Consulting</td>
<td>Medium</td>
<td>HR Director</td>
</tr>
<tr>
<td>Operational Performance Consulting</td>
<td>Medium</td>
<td>HR Director</td>
</tr>
<tr>
<td>IT Consulting</td>
<td>Large</td>
<td>HR Director, Partner</td>
</tr>
<tr>
<td>Strategy Consulting 1</td>
<td>Large</td>
<td>HR Director, Partner in charge of HR</td>
</tr>
<tr>
<td>Strategy Consulting 2</td>
<td>Large</td>
<td>HR Director</td>
</tr>
<tr>
<td>Strategy Consulting 3</td>
<td>Large</td>
<td>HR Director</td>
</tr>
<tr>
<td>Banking Consulting 2</td>
<td>Small</td>
<td>HR Director</td>
</tr>
<tr>
<td>Finance Consulting</td>
<td>Medium</td>
<td>HR Manager, Partner in charge of HR, President</td>
</tr>
<tr>
<td>Management Consulting</td>
<td>Medium</td>
<td>HR Director, President</td>
</tr>
</tbody>
</table>

Appendix B : Data collected in Finance and Management Consulting

<table>
<thead>
<tr>
<th>Data</th>
<th>Finance Consulting</th>
<th>Management Consulting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partners</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Senior Managers</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Managers</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Senior Consultants</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Junior Consultants</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Alumni</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Support Staff</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>21 interviews</td>
<td>18 interviews</td>
</tr>
<tr>
<td>Meetings with HR directors/CEOs</td>
<td>4 meetings</td>
<td>2 meetings</td>
</tr>
<tr>
<td>Documentation</td>
<td>Personnel Data, Description of HR policies, “quality of work life” ranking application file and results</td>
<td>Description of HR policies, “quality of work life” ranking application file and results</td>
</tr>
</tbody>
</table>