

# 1 The Role of Human Resource Management in Consulting Firms

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## 1.1 Introduction

The importance of human resources for the consulting business is indisputable. The consulting business (see Appendix I to IV) is seen as a personnel intensive service (Fritzel and Vaterrodt 2002), the success of which depends to a great extent on the human resources and, more particularly, on the human capital of consultants (Höselbarth and Schulz 2005). This resource has been defined as *the most significant* or even the *only significant strategic and crucial factor of success* (Höselbarth and Schulz 2005; Robertson and Swan 2003; Franck, Opitz and Pudack 2002; Alvesson 2000).

Over recent years both academic and business interest in the consulting industry has grown rapidly. The most discussed topics within the relevant literature are the growth of the industry, its market development, the relationship between clients and consultancies, the evaluation criteria of consulting projects, and the criteria for selecting consultancies. In the recent years a further topic has become of central importance for consulting research, namely the issue of knowledge management in consulting companies (Mohe 2004; Engwall and Kipping 2002).

Although there is widespread interest in different topics with regard to consulting, and personnel has been defined as the most important resource within this field of industry, only few contributions deal with the issue of human resource management in consulting firms. One possible explanation for such a paradox could be the confidentiality of the consultancies regarding their internal issues (Mohe, 2004). Another explanation for the lack of (empirical) research done on HRM in consulting firms could be the hitherto existence of “less formal” and “explicit” HRM in this industry compared to other industries (Graubner and Richter 2003).

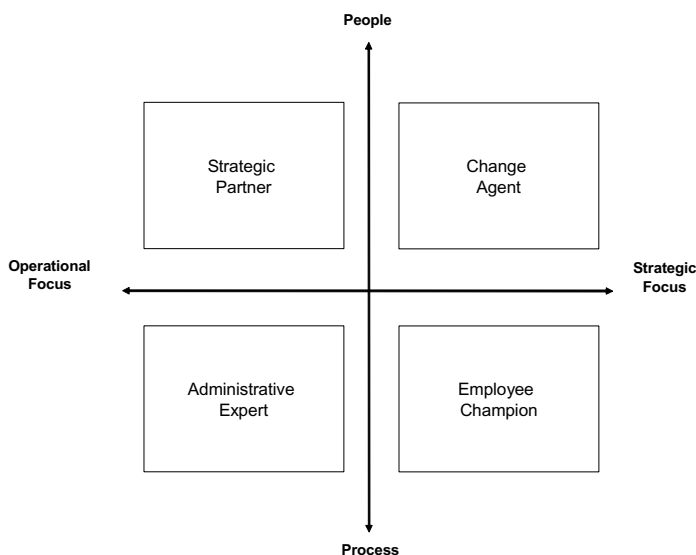
Today however, owing to challenges resulting from the clients’ increasing demand for high quality service (Höselbarth and Schulz 2005; Graubner and Richter 2003) coupled with the current shortage of personnel (Bornmüller 2005; BDU 2004) there is a need for more awareness regarding the HR policies and practices

as well as for a more proactive attitude towards their implementation (Graubner and Richter 2003).

The present volume aims at investigating specific aspects of the role of HRM in consultancies derived from the nature of consulting. In order to get a better understanding regarding the specific aspects of the topic, we first deliver an integrative review of the existing literature on HRM in consultancies.

## 1.2 A Framework for Literature Review

Ulrich (1993) differentiates four roles for the up-to-date HRM derived from two dimensions (see Figure 1.1.). The first dimension represents the focus of HRM and it ranges from *operational* to *strategic*. The second dimension reflects the HR activities and distinguishes between *managing HR processes* and *managing people*. Crossing these axes we arrive at the four roles of HRM: strategic partner, change agent, administrative expert and employee champion.



**Fig. 1.1.** HR Role Framework (Ulrich 1993)

HR as *strategic partner* is responsible for contributing to the organizational success, by developing and executing the HR strategies and practices. The role of *change agent* is aimed at managing transformation and change. HR professionals are both guards and the catalyst of organizational culture and the main contributors with regard to identification and implementation of change processes. The role of the *administrative expert* is actually the traditional responsibility of HRM,