Title

ELITISM IN STRATEGY CONSULTING:
HOW INSTITUTIONAL PRESTIGE INFLUENCES RECRUITMENT

This should be no longer than 15 words, and give a good idea of the subject.

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Is this a full paper (2,500-4,000 words) or a Consulting Short (1,000-1,500 words)?

[ ] Full paper

Date submitted: 21.4.20
Abstract (up to 150 words)

How and why do strategy consultancies prioritise graduates from elite universities, and is this practice doing them more harm than good? The association of top strategy firms with elite universities is well-known, but this study suggests that the practice is done more for signaling and ‘fit’ reasons than for recruiting outstanding talent. Using anonymous interviews with recruiters, partners and consultants at strategy firms, and drawing on Bourdieu’s theory of cultural capital, the paper suggests that these practices may do more harm than good.

Article text starts here

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Abstract

How and why do strategy consultancies prioritise graduates from elite universities, and is this practice doing them more harm than good? The association of top strategy firms with elite universities is well-known, but this study suggests that the practice is done more for signalling and ‘fit’ reasons than for recruiting outstanding talent. Using anonymous interviews with recruiters, partners and consultants at strategy firms, and drawing on Bourdieu’s theory of cultural capital, the paper suggests that these practices may do more harm than good.

Overview

Recruitment practices are central to firms’ ability to generate and signal quality work. Perhaps most effective at this are strategy consultancies, whose highly selective
recruitment practices emphasise their “elite aura” (Armbrüster, 2004:1248). Yet, some have argued that recruitment from elite institutions such as Harvard, Wharton or INSEAD is not in alignment with changes to client CEOs’ educational and socio-economic background (Chu and Davis, 2016), as well as, new influences in the industry that necessitate more inclusive and diverse recruitment to generate innovation and creativity (Consultancy.uk, 2017). This study argues that strategy firms have over-relied on recruitment based on institutional prestige and uncovers the way in which these practices reproduce elite culture and the difficulties this poses to firms, clients and society more widely. Our research question is How and why do the recruitment practices of strategy consultancies reproduce elite culture within firms?

The article is structured as follows. First, we review the relevant theory on elites and describes the Bourdieu’s (1986) theory of cultural capital that we use to interpret our findings. Next, we outline the study’s methods and limitations, followed by the research findings. In the discussion, we pull our results into a coherent picture of how and why recruitment practices accentuate the cultural capital that fosters the exclusion of talent and limits firm responses to industry’s ‘disruption’. We conclude by presenting recruitment recommendations that could alleviate the drawbacks of these exclusionary practices.

**Literature review**

Elite groups have in common their status, access to power and institutional/network benefits compared to other groups (Scott, 2008; Khan, 2012). Bourdieu (1984) argued that elites are both signified and reproduced in part through culture and cultural dispositions, whilst others have show that elitism is central to the identity claims of groups, that crucially ‘other’ alternative groups with ‘lesser’ cultural dispositions (Beckert, 2003; Lamont, 1992).

*Elite reproduction through identity construction in management consultancies*

Management consultancies provide intangible services which means that few consultancies can guarantee the quality of their services (Alvesson, 1993; Glückler and
Armbrüster, 2003). One solution to this ambiguity is to construct identities and symbols of elitism that allow consultancies to signal to the market their expertise and legitimacy (Alvesson and Robertson, 2006). One method of achieving this is to recruit from elite institutions, which provides a symbolic source of legitimacy to clients (Smith, 2013:211).

Strategy consultancies belong to the top-tier of elitism: they charge the highest fees, work with the top clients and recruit ‘the best’ graduates (Armbrüster and Kipping, 2002). However, some have argued that their persistence on elite recruitment practices does not fit with new trends emerging in an increasingly ‘disrupted’ industry. In fact, strategy consultancies are facing changes in clients’ needs, more sophisticated competitors, pressure from procurement, competition from all sides and new flexible models of delivery (Christensen et al, 2013; Czerniawska, 2019).

**Recruitment based on institutional prestige and ‘cultural fit’ in elite PSFs**

Recruitment practices are a mechanism that top firms use to maintain their elitism. Some have argued that such practices can reproduce classism and social exclusion through the use of ‘cultural fit’ as primary recruitment tool (Cook et al, 2012; Rivera, 2012a; Ingram and Allen, 2018) as institutional prestige is used as a proxy for superior intellectual and social ability (Rivera, 2011). ‘Cultural fit’ can be highly subjective and heavily dependent on the impression of the hiring manager towards each candidate, leading to the reproduction of homogenous workforce (Bashford, 2018; Hennigan and Evans, 2018). Meanwhile prestigious institutions have been found to be disproportionately attended by candidates from privileged socio-economic backgrounds (The Sutton Trust, 2019).

**Bourdieuian theory on cultural capital**

Given its focus on the reproduction of elitism and social exclusion in the organizational context, this study utilises the theoretical framework of Bourdieu on cultural capital. Bourdieu argues that an individual’s position in relation to others is determined by the forms of cultural capital possessed by that person and the extent to which these forms of capital are considered legitimate by the others. Whilst Bourdieu (1986) outlines three
states of capital (institutionalized, embodied and objectified), we focus on the first two. Institutionalized capital, relates to the academic background and educational qualifications that provide the holder with proof of ‘cultural competence’. Embodied capital refers to the process where external wealth is transformed into an integral part of the individual: their dispositions of mind and body.

Methodology

We use an exploratory research design which explores how things happen. Desk research was conducted at a preliminary phase to enhance our understanding around the theoretical themes. In addition, we conducted 18 semi-structured interviews with associates, consultants, senior consultants, partners, ex-consultants and recruiters of top management consultancies who were approached through LinkedIn and personal networks. The objective of the interviews was to understand the thoughts and experiences of those professionals on the investigated issue. The interview questions included the screening and recruitment process, the use of educational credentials in recruitment, the weight of institutional prestige during recruitment and the ‘cultural fit’. They were conducted through a blend of face-to-face, telephone and online interviews. The average interview lasted 50 minutes.

Data were transcribed and coded. Our analysis took an inductive and abductive approach, allowing codes to emerge both from the theory and during the data collection. Coding categories were identified, cross-referenced and codified with reference to Bourdieu. Interconnecting coding categories were grouped into three themes that helped answer our research question (Table 1).

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<th>Grouped codes from interviews &amp; theory</th>
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Concerning limitations, we acknowledge that interviews alone can reveal only part of the reality since they rely on the participants' perceptions and interests. A multi-method approach would be more beneficial for this study. For instance, combining semiotic and content analysis on targeted recruitment websites and recruitment material from the firms studied or participant observation would enable patterns to emerge that could not have been otherwise captured by the interviews.

**Findings**

The findings presented below reflect the three themes that emerged during the coding of the data. All verbatim quotes have been quoted with permission.

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Table 1. Coding and analysis framework

<table>
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<th>Top universities provide the best talent</th>
<th>Bourdieusian interpretation: institutional prestige embedded in the required cultural capital possessed by candidates</th>
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<tr>
<td>Targeting top universities is cost-effective recruitment/narrows down applications</td>
<td>Social exclusion of talent based on socio-economic background</td>
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<td>Candidates from top universities have already proven their worth</td>
<td>Failure to reflect increasingly diverse client boards</td>
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<td>Top universities signal quality to clients</td>
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<td>Different routes to the profession for those graduating from less renowned institutions</td>
<td>Directly disadvantaged talent</td>
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Institutional prestige as primary educational credential

“We are quite fuzzy with our recruitment, so coming from a top academic university Oxford, Cambridge, sometimes Durham or Exeter, you know we have a few target universities that we go to” (partner)

“There is often the criticism that top management consultancies only hire from Cambridge, Oxford, Harvard and to be honest there is an element of truth in that, we are looking for the best of the best.” (recruiter)

The target academic background for entering a top strategy firm is highly homogeneous. Most respondents listed the universities of Oxford, Cambridge, LSE, LBS, Durham and Warwick as UK targets, and Harvard, Stanford, Walton, and INSEAD internationally. Institutional prestige is used as a formal evaluation criterion for entering the profession, while from the very early stages of recruitment graduates from elite institutions are prioritized over others.

Other interviewees mentioned that often, the progression from public school to top University provides an attitude that commands respect from peers and clients:

‘if you go from, say Harrow or Eton, to Oxbridge or similar, you are likely to fit in better with CXOs from the same background, and, let’s be honest, there’s a lot of them…. [Also] you will often have the confidence for leadership that often comes with a privileged background’ (partner).

Interestingly, two interviewees precisely from these backgrounds thought they could spot someone from different elite backgrounds quickly, with one partner saying ‘I can spot a Harrovian at a hundred yards’ and another that ‘there is a clear difference in your average Oxbridge candidate from perhaps an old poly…. sharper, brighter. Although the latter admitted there were exceptions.

It was also noted how some forms of cultural capital are embodied in candidates, primarily through their secondary education but also through other institutions. One recruiter said ‘much of the non-verbal signals that recruiters like… say, firm hand-shake,
straight back, good eye-contact, high energy are instilled in public schools and the military’. When asked about such signals, another stated ‘they are indicative of trust or confidence perhaps….leadership potential’.

*Reasons for recruitment by institutional prestige - Privileged candidates*

Respondents pointed out four main reasons as to why candidates from prestigious universities are targeted. First, recruitment from top-tier universities is a cost-effective way to narrow down the huge amount of applications that strategy consultancies receive. Top institutions, it was agreed, provide the firm with highly competent graduates that end up having leading roles and successful careers. Hence, this is where the ‘best’ future consultants can be found.

Secondly, recruiting by institutional prestige signals credibility, excellence and trust to potential clients: “There is a preference for Oxford, Cambridge, LSE and Imperial, because it is believed to help build credibility of the firm and the case team with international clients who are familiar and reassured with those prestigious big names” (senior consultant).

A common theme was that elite universities are perceived as quality stamps for the consulting services. Thus, whilst junior consultants may lack relevant work experience, their graduation from top institutions is perceived indicative of personal characteristics like being bright, hard-working, determined and disciplined.

“It means a lot if you can showcase that your people are better, either because they have more experience or because they come from better schools, so imagine if you had a person from Harvard versus a person from Swansea…” (consultant)

Interestingly, most comments suggested that including candidates on the team from less renowned universities would neither showcase the firm’s high quality in services nor send the right signals of the firm’s excellence to clients. Nevertheless, only a couple of interviewees argued that prestigious universities actually developed skills that less prestigious ones did not (for example, through one-to-one tutorials).
Thirdly, over one third of the interviewees associated recruitment from top universities with ‘candidate-evaluator fit’. They claimed that consultants evaluating a candidate’s ‘fit’ ask ‘can I work with this person every day?’ In order to answer their question, evaluators appear to privilege candidates that come from top universities because usually they themselves are graduates from top institutions; hence their perception of a candidate’s merit is influenced by their own educational background. The following comment clearly illustrates the ‘candidate-evaluator fit’:

“If you are an interviewer you are more likely to like a person who is more similar to you… I would be more likely to hire a person that comes from Cambridge probably because I can relate to their struggles because I went through that.” (consultant)

The final reason was related to ‘candidate-client fit’. Another common theme was that, client CXOs should feel comfortable with consultants when they interact. In short, this criterion should answer the question ‘can I leave this person alone with the clients?’

“When they recruit a consultant, they want to be sure that they can leave the consultant alone with the client and that the client and the consultant not only will find it natural and it will not be embarrassing [for the company], but also that there will be fit…. Common tastes….be able to have a conversation not only about the project.” (ex-associate)

The intellectual pedigree of a candidate is less important for their intellectual fire-power and more as a signal to clients of their quality and as a proxy for their upper-middle class attitudes and behaviours. These included: aesthetic tastes, self-presentation, exuding confidence, sharp thinking, being socially developed, speaking appropriately to leaders and behaving well in social occasions. Importantly, few interviewees outlined that the acquisition of such interpersonal characteristics and social skills are primarily possessed from candidates who have particular life experiences and opportunities, such as being raised according to the upper-middle class way of socialisation or possessing the appropriate network for support.
Directly disadvantaged talent

“Candidates from second-third tier universities struggle more to get the job, so you go through the recruitment process and you have 30 CVs and you need to narrow them down to 20, so you first think of the top universities and top degrees and then you go down.” (consultant)

Most of the interviewees acknowledged that it is much harder for candidates that do not possess the desired educational background to enter the profession. In fact, some suggested such candidates should follow a different route to landing a good consulting job. Candidates from less prestigious universities were more likely to cite luck, internships or social connections as routes to the profession. Additionally, over one third of respondents agreed that using institutional prestige as criteria when recruiting can marginalize candidates from less affluent socio-economic backgrounds who did not have the opportunity to graduate from elite institutions.

Discussion

Discrimination by socio-economic class and cultural prestige is a finding common to other types of PSFs (Cook et al, 2012; Ashley and Empson, 2013; Donnelly and Gamsu, 2019). By theorizing the findings under the Bourdieusian perspective on cultural capital, we argue that institutional prestige is considered a symbolic manifestation of the possession of the cultural capital (institutionalized and embodied) required for entering the profession. What is presented as objective judgment of ‘fit’ is often socially determined assumptions that link the possession of institutionalized and embodied cultural capital with candidates’ ability to perform.

We argue that institutionalized capital is interpreted as proxy for consultant quality, signalling trust and credibility to clients, as well as, for certain skills and attitudes associated with the profession. However, emphasising institutionalized capital in the recruitment process has been found to reinforce class-ism, since elite institutions are
disproportionally attended by candidates from the upper-middle class and elite positions in society have been found to be obtained from graduates with elite academic backgrounds (Cabinet Office, 2009; Williams and Filippakou, 2010). Consequently, recruitment based on institutionalized capital, particularly within strategy consultancies, maintains classism and marginalizes candidates from less affluent socio-economic backgrounds.

Additionally, we would argue that both institutionalized and embodied forms of cultural capital are embedded in the assessment of a candidate’s ‘cultural fit’. A candidate’s ability to do the job is intertwined with an evaluator’s interpretation of merit, which has been found to reproduce homogeneous workforces and socio-economic inequalities at the point of hiring (Rivera, 2012b). Similarly, recruitment from top institutions satisfies the necessity for junior consultants to display signals of high-calibre social and intellectual ability.

Skills and competencies, associated with a candidate’s educational background, constitute the required embodied cultural capital that must reflect informal characteristics that derive from taken for granted norms that are associated with professionalism in elite PSFs (Anderson-Gough et al, 2002; Waring and Waring, 2009). Those are: drive, self-presentation, deportment, being well-rounded, feeling at ease with the elite culture, behaving appropriately when interacting with top leaders. Our findings suggest that those norms rely on cultural similarities that are overdetermined by the elitist context (Bourdieu, 1984). Hence, the acquisition of embodied cultural capital, in terms of social skills, aesthetic tastes and self-presentation can only be facilitated by specific life conditions and opportunities such as being raised and socialised according to upper-middle class mores, attending prestigious institutions and possessing a network to obtain advice and access.

At first glance, this recruitment practice is in part a formal strategy of consultancies to remain elite, protect their credibility, quality and generate a secure identity for a profession that faces ambiguity in terms of its work and demands (Glückler and Armbrüster, 2003; Engwall and Kipping, 2013). However, in the modern context
recruitment based on cultural capital can damage the firm more than help it. The reasons are twofold. First, the over-reliance on the ‘candidate-client fit’ is not in alignment with the shift to more diverse client boards. As boards, especially of the growing digital and technological sector, are now more likely to contain people that did not attend elite institutions, there is a potential mismatch between traditional consulting images of the ideal professional and what clients want.

Secondly, there has been growing pressure on consultancies to become more innovative. In part this is driven by client demand for more innovation, especially using new technologies but also internally for consultancies themselves to create new business models and respond to increased competition (O’Mahoney, 2013; Consultancy.eu, 2019). We would argue, therefore, that there is a need for more flexibility in attracting and recruiting talent that can offer fresh approaches and ideas. Arguably, elite recruitment counteracts this flexibility and sabotages the recruitment of the intellectual capital needed in the modern world, where the adoption of new technologies is highly required.

Conclusion and recommendations

This study sought to answer ‘how and why do the recruitment practices of strategy consultancies reproduce elite culture within firms?’ The study suggests that recruitment processes based on institutional prestige accentuate the possession of specific states of cultural capital that conform to an elitist symbolic culture, which enables the marginalization and exclusion of talent. We have explained that this serves a perceived need for ‘candidate-client’ and ‘candidate-evaluator fit’, as well as serving a cost-effective way of short-listing graduates. However, we also argue that such practices harm under-privileged students who may be equally capable. This potentially harms the firms themselves in mismatching with modern boards and confines innovation for client projects and internally.

To ameliorate this, we would suggest that strategy firms should drop university reputation as a recruitment criterion especially in light of evidence showing that
educational background has no correlation with performance on the job, while its predictive validity reaches only to 1% (Peterson, 2020). A good education should not be mistaken with a good employee. On the contrary, a combination of cognitive and behavioural tests could achieve a greater percentage in predictive validity.

Apart from targeting ‘other’ institutions outside the top-tier, which is an obvious measure, it is also worth assessing and possibly implementing initiatives that competitors utilised to secure a modernized recruitment process which includes more diverse and technologically-driven talent (Agnew, 2016). For instance, incorporating contextual recruitment, as initiated from Deloitte, would allow strategy firms to understand a candidate’s achievements taken also into account the socio-economic circumstances and context in which those were accomplished. Similarly, the process followed by EY and PwC, to drop degree classification and ACAS points for entry level positions, could bring in capable candidates, based on merit and regardless of their socio-economic status, who would have otherwise been excluded.

Reference text ends

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