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BUSINESS MODELS REINVENTION: FROM STAFFING TO MANAGEMENT CONSULTING CASE

Carlos Miguel Correia Hernandez Jerónimo

Thesis specially presented for the fulfillment of the degree of Doctor in Applied Business Management

Supervisor:

Prof. Leandro Pereira, Invited Assistant Professor, Instituto Universitário de Lisboa (ISCTE-IUL)

December, 2019

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December, 2019

"Important thing in science is not so much to obtain new facts as to discover new ways of thinking about them."

Sir William Bragg

ABSTRACT

Despite the high market demand in the staffing business, the dissatisfaction and volatility of employees is a constant risk and the value proposition for customers brings limited value. Besides being purely transactional, this business model makes the creation and development of assets unfeasible as it lacks regulation and is still perceived as one that can be easily imitated. In order to reverse the situation and considering that the management consulting business model is relatively similar in terms of means and is perceived as having sustainable competitive advantages, the objective of this investigation was to propose the transformation of the business model from staffing to management consulting. A total of 62 professionals from 34 staffing and management consulting companies were interviewed, revealing details regarding the various areas of the value chain. A comparative financial analysis and model validation was also performed. Literature review, as well as the analysis of the interviews was supported by text mining techniques. The conceptual model and the conclusions obtained in parallel are certainly useful for the academy, but also for companies and society, since the transformation of the business model represents a combination of different working conditions and formats in the face of current events. There are several findings, but it should be highlighted that in management consulting the profit per employee is on average 87% higher when compared with a staffing employee. Recommendations are also provided to push the limits of thinking, generate new options and, ultimately, to enhance the competitive advantages of service companies.

Keywords: Business Models; Staffing; Management Consulting; Outsourcing

JEL Classification: M10; L84

RESUMO

Apesar da elevada procura de mercado, no negócio de staffing a insatisfação e volatilidade dos colaboradores é um risco atual e a proposta de valor para os clientes aporta valor limitado. Além de puramente transicional, este modelo de negócio inviabiliza a criação e desenvolvimento de ativos, carece de regulamentação, sendo ainda percecionado como facilmente imitável. No sentido de inverter a situação, e sendo o modelo de negócio de management consulting relativamente similar em termos de meios e percecionado com vantagens competitivas sustentáveis, foi objetivo desta investigação uma transformação do modelo de negócio de staffing para management consulting. Um total de 62 profissionais de 34 empresas de staffing e management consulting foram entrevistados revelando detalhes relativos às várias dimensões da cadeia de valor. Foi ainda realizada uma análise financeira comparativa e a validação modelo. A revisão de literatura, assim como a análise das entrevistas, foi suportada por técnicas de text mining. O modelo concetual e as conclusões paralelamente obtidas são certamente úteis para o meio académico, mas também para as empresas e para a sociedade, dado que a transformação do modelo de negócio representa igualmente uma combinação de condições e formatos de trabalho diferentes face à atualidade. Existem várias conclusões, mas é de salientar que em management consulting o lucro por colaborador é em média 87% superior a um colaborador de staffing. São ainda fornecidas recomendações para ampliar os limites do pensamento, para gerar novas opções e, em última análise, para potenciar o aumento de vantagens competitivas das empresas de serviços.

Palavras chave: Modelos de Negócio; Staffing; Consultoria de gestão; Outsourcing

JEL Classification: M10; L84

ACKNOWLEDGMENTS

Excuse me the reader, but there are words and sensations that I can only express with all the depth and feeling in my mother tongue, so I will write in portuguese.

Em 2007 quando concluí o curso de Eng. de Computadores e Telemática na Universidade de Aveiro senti-me um passarinho livre, leve e pouco ou nada saudoso, era alguém que respirava de alívio. Podia ir finalmente trabalhar e contribuir para algo no mundo empresarial, mas muito mais que isso, podia finalmente "livrar-me" da academia. A academia, esse comboio em que entrei e que, sem saber como nem porquê, me levava de semestre em semestre sem me permitir apreciar qualquer paisagem, qualquer contexto, qualquer paixão de querer ver mais além, até ao meu destino. À chegada, quando agarrei o diploma, a frase que bradei em volume bem alto, tal como um chefe de estação o faz, foi algo do género "até já Aveiro, até já meus grandes amigos que ainda hoje o são e serão, mas "até nunca" academia. Sem respirar, começo a trabalhar, agora mais do que o part-time de sobrevivência, numa empresa de gestão a programar e configurar ferramentas de gestão de projeto. Dr. Leandro Pereira, foi assim que o conheci, o cavalheiro que me entrevistou, que me contratou, que me instruiu, que me repreendeu, que me desafiou, que me ouviu, que me deu a mão, que festejou comigo, que me adotou como irmão e que com uma candeia, uma candeia bem forte, me guiou até este momento, que significa muito mais do que este documento, muito mais do que um timbre académico. Simboliza um itinerário onde a ingenuidade deu lugar ao profissionalismo, onde a atitude de pedir deu lugar ao dar sem esperar nada em troca, onde o ceticismo académico se metamorfoseou em gosto de aprender, de investigar, de aplicar metodologia científica, ensinar outros alunos a saber apreciar a viagem mais do que o destino, mas acima de tudo, paixão e realização de voltar à academia e perceber a sua importância para o mundo.

Obrigado Leandro! Este trabalho é dedicado a ti, pois sem ti e a tua candeia cintilante, haveria certamente menos claridade na minha existência.

DEDICATION

"Quando ambicionamos um PhD obrigamos indiretamente todos os que nos são realmente próximos a fazê-lo também."

Carlos Jerónimo

Em primeiro lugar, e sempre em primeiro em lugar, este trabalho é dedicado à Tata e ao Dudu. Oxalá um dia possam vislumbrar orgulho neste trabalho que amenize todo o tempo que lhes privei da minha presença e que jamais poderei recuperar.

À minha esposa, um dos pilares da minha vida e que apesar de toda a ausência e rabugice nunca deixou de me apoiar, compreender e incentivar.

Aos meus pais por todos os sacrifícios.

À minha irmã por toda a ajuda, disponibilidade e por tudo.

À minha família por toda a motivação e apoio ao longo de toda esta jornada.

Muito obrigado!

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LIST OF ABBREVIATIONS

ASO	Administrative Services Organisation
BI	Business Intelligence
BMC	Business Model Canvas
BPO	Business Process Outsourcing
FEACO	European Federation of Management Consultancies Associations
GDPR	General Data Protection Regulation
HR	Human Resources
HRO	Human Resource Outsourcing
IT	Information Technology
ITO	Information Technology Outsourcing
KPI	Key Performance Indicator
KPO	Knowledge Process Outsourcing
LDA	Latent Dirichl*et al*location
NACE	North Atlantic and Central European region
NAPEO	National Association of Professional Employer Organisations
NPL	Natural Language Processing
PEO	Professional Employer Organisation
QDA	Quality Data Analysis
R&D	Research & Development
RBV	Resource-Based View
SLR	Systematic Literature Review
TAE	Temporary Agency Employee
TWA	Temporary Work Agency

VRIO	Value-Rarity-Imitability-Organisation

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CHAPTER I – INTRODUCTION

1.1 Context

Frederick Taylor (1911) introduced science management to the world more than a century ago, with ideas that changed the way companies manage and interact with employees. Many of the core principles of scientific management that were intended to be of mutual benefit to employees and employers are still applied today, such as cooperation rather than individualism and the development of each individual for their efficiency and prosperity. These days, where not all employees belong to the company's staff, McKinsey (McKinsey Global Institute, 2018) reveals in its discussion paper, based on a survey of 3000 business leaders, Skill Shift: Automation and the future of the workforce, that *"companies of all sizes plan to use temporary employees and external contractors more than outsourcing agencies"*. According to the latest annual data from the ASA Staffing Employment and Sales Survey (ASA, 2019), temporary and contract staffing sales in U.S. totalled $138.5 billion in 2018, an increase of 3.4% over 2017.

This growth is happening because temporary workers or staff agency workers are easily eliminated, redundancy and unemployment benefits are avoided, flexibility and cost savings are gained, and the core competencies of the company and its investments in specific training in key employees are protected.

According to recent literature, a staff agency or temporary work agency (TWA), generally does the same thing; search for, find, interview and hire a certain number of employees to be assigned to client companies, according to need, for a given, usually short, period. The client company in these situations exercises the rights of an employer, despite not having an employment relationship with the employee (Arsdale, 2013; C. T. Liu *et al.*, 2010; Veleva & Antonova, 2017). Some definitions may also vary according to the type of contract used. Typically, when not dealing with a full-time contract, the relationship fits into the category of temporary work, and the employee is renamed "temporary agency employee" (TAE), and the staff agency is renamed "temporary work agency" (TWA) (Ferreira, 2017; Hintikka, 2011; Hopp *et al.*, 2016; C. T. Liu *et al.*, 2010; Winkler & Mahmood, 2015). It is important to distinguish these relationships in order to facilitate possible discussion of the work environment.

Individual research using the terms "staffing" and "outsourcing" yields voluminous and exciting results, as the themes are not new and impact the modus operandi of organisations. However, there is much imprecision, with the idea expressed in a multitude of different definitions in the literature, the exception being the authors Dey *et al.* (2012) and Fisher *et al.* (2008), who present

some ideas regarding on this subject, although it is still not sufficient. To study the subject effectively, it is necessary to connect several points in an attempt to converge the theme, for example, outsourcing practices and different arrangements, staffing practices, temporary work, resource leasing and others.

1.2 Research problem

A staff agency brings more advantages to the client company than permanent or temporary hiring (Lopes & Chambel, 2014), due to the specialisation of resources needed for the search and selection process, and also to the low cost of labour for selection and management, because this service can also be hired and paid for only when there is work to be done. There are many advantages for client companies. However, in reality, temporary workers or staff agency workers are, on average, less affluent than permanent workers in terms of pay, they have less access to training and experience a lesser degree of job satisfaction and job security (Hintikka, 2011; Hopp *et al.*, 2016; Kuroki, 2012; Roquelaure *et al.*, 2012; Underhill & Quinlan, 2011; Vlandas, 2013). There is some doubt as to why so many employees work under these conditions and why the model has been successful (Hopp *et al.*, 2016; Inanc, 2018; Kim *et al.*, 2017; Lopes & Chambel, 2014). Few authors have studied and given focus to the internal management of a TWA or staffing agency (Grover Goswami, 2018), but there are some reported disadvantages to the business model.

Despite the high market demand in the staffing business, the dissatisfaction and volatility of employees is a current risk (Lopes & Chambel, 2014; Winkler & Mahmood, 2015), and the value proposition for customers brings limited value. Besides being purely transactional, this business model makes the creation and development of assets unfeasible, lacks regulation and is still perceived as easily imitated and replicated. For Osterwalder and Pigneur (2010), key resources are a fundamental part of a business model because it is through them that companies create and offer their value proposition, reach markets, maintain relationships with customers and obtain revenue. For example, in Europe and generally in the world, most staffing agencies do not need a license (Hopp *et al.*, 2016; Vosko, 2010), which makes them easily replicable and with a competitive parity business model (Barney & Hesterly, 2010).

In order to make this business model more sustainable, there is an urgent need to explore relatively similar but competitively sustainable models and infer possible transformations. From this perspective, it is perceptible that the academy has emphasised the investigation, mainly empirical, of management consulting business models (Christensen *et al.*, 2013; Ho *et al.*, 2011; Pereira *et al.*, 2018). The management consulting industry has been studied not only because of its intensive use of knowledge, considered the most essential resource for business organisations, combined with their learning capabilities, but also because the role consultants play and the economic and social value they bring in helping organisations achieve their objectives is widely discussed (R. J. Lopes da Costa *et al.*, 2013).

1.3 Objectives and contributions

The objective of this research is to understand in depth the particularities of the staffing business model, how they contribute to the current state recognised as competitive parity, and to propose a solution for transformation to a management consulting business model with sustainable competitive advantages. In light of the resource-based view (RBV) theory (Kraaijenbrink *et al.*, 2010) only internal strategic resources will be analysed, i.e. social, competitive or external variables will not be analysed. The RBV theory assumes that companies in an industry or group may have different strategic resources and that these resources are not always entirely mobile among companies. Moreover, this heterogeneity may last for a long time and therefore generate competitive advantage (Hart & Dowell, 2011; Kraaijenbrink *et al.*, 2010).

In more detail, this research has particular objectives:

1. The characterisation and analysis of business models of staffing companies through a literature review using advanced text mining techniques and topic modelling;

2. Elaboration of a conceptual diagram relative to interceptions and overlaps of the staffing business with outsourcing in order to support new discussions;

3. The characterisation and analysis of business models of management consulting companies through a literature review;

4. The collection of characteristics and practices of business models of staffing and management consulting companies in Portugal from a set of interviews conducted with professionals;

5. The definition of a conceptual business model of transformation;

6. The definition of a strategic transformation plan;

7. The validation of the conceptual strategic transformation plan.

This research is expected to make a substantial contribution to the scientific literature. The first academic contribution intends to fill the existing gap in the literature at both theoretical and methodological levels. Most studies on staffing business models focus on the perspective of customers or employees, neglecting the perspective of service providers, namely their business model. As a second contribution, it is intended to identify possible gaps and conflicts between outsourcing and staffing concepts and suggest future directions for the research. The first expected empirical contribution is to make the business model of staffing and management consulting companies known in detail, based on the identification of the value chain and its

players, and allowing extrapolation to other realities. The second empirical contribution is based on the sharing of a set of recommendations for agents performing executive management functions in service companies, namely staffing companies. A paradigm shift is recommended, that takes into account the strategic transformation plan extracted from this research in order to create sustainable competitive advantages.

1.4 Thesis structure

As shown in Figure 1 the structure of the thesis presented below begins with a general introduction followed by a review of the literature, chapter II, where the basic concepts of staffing, outsourcing, management consulting and business models, as well as the existing gaps, were characterised. In this chapter, it is intended to achieve the proposed objectives 1 and 3. In chapter III, which is divided into four subchapters, it is present the theoretical construct related to the field of observation. The definition and formulation of the research questions are established, and the research methodology adopted for the exploratory analysis is described. In chapter IV, the results of the fieldwork are analysed, demonstrating in detail the two types of business models in the various areas of the value chain, including the relationship with customers and employees, processes, practices and working methods, as well as a comparative financial analysis. In Chapter V the research questions will be answered, all findings will be presented and the threats and strengths of each business model that will serve as a basis for the design of the transformation model will be detailed. In the last chapter, a final analysis of the research results is made and the limitations of the study are described as well as proposals for challenges and possible future research.

Figure 1 Thesis conceptual framework
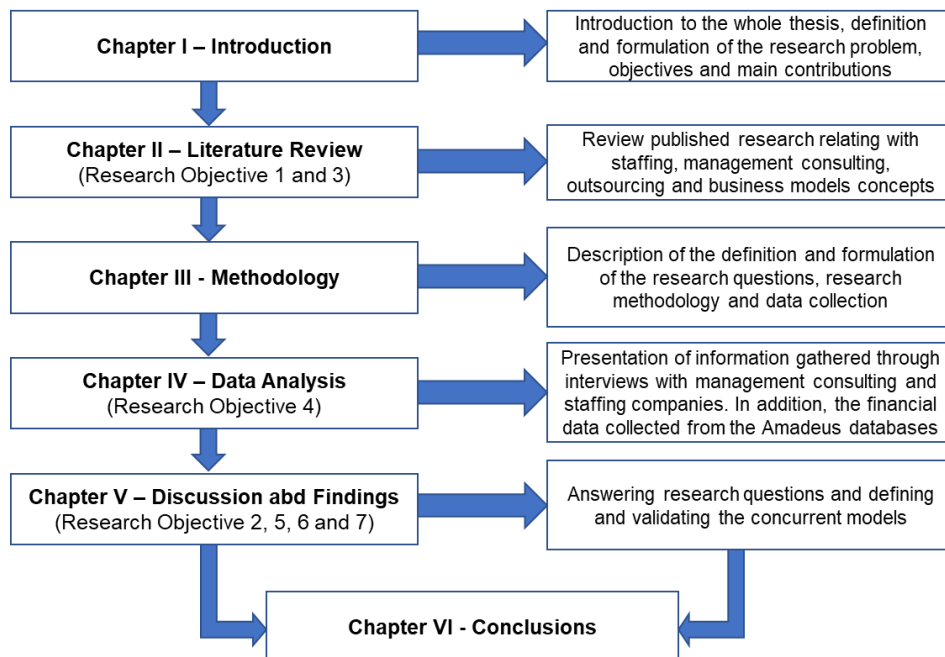
CHAPTER II – LITERATURE REVIEW

After reviewing the analysis techniques to be used during the literature review and interviews will then be analysed the literature regarding the concept of staffing.

2.1 Staffing

2.1.1 Outsourcing definition and analysis

2.1.1.1 Staff outsourcing definition

Contrary to many of the definitions of outsourcing that generally refer to outsourcing activities, the articles analysed above all describe the need for companies to obtain specialised and unique skills through the use of "leased" resources in-house. This trend has been spurring a real revolution in outsourcing services and employee utilisation, through a model of achieving competitive advantage in global markets (Veleva & Antonova, 2017). However, the concept of pure outsourcing of staffing is tricky to benchmark in the literature and it is hard to find a clear and sufficient definition (Claus Wehner *et al.*, 2015; *et al.*, 2018; Veleva & Antonova, 2017).

In Figure 2, where the workforce solutions ecosystem for the entity Staffing Industry Analysts[1] is represented, it is possible to confirm that the concept of outsourcing appears as one of the activities framed in staffing, which confirms the doubts of several authors.

Figure 2 The workforce solutions ecosystem
Source: Staffing Industry Analysts (SIA)[1]

The relationship in the staffing industry can be described as triangular between three different actors, as shown in Figure 3, between employee and staff agency there is an employee/employer employment relationship and with a defined contract, staff agency employees are employed and the staff agency takes employer responsibility (Arsdale, 2013; Hopp *et al.*, 2016; Imhof & Andresen, 2018; Lopes & Chambel, 2014). Between the staff agency employee and the client company, there is an operational working relationship. The connection between the staff agency and the client company is a business agreement stating that the client company takes advantage of staff agency labour for an agreed period, upon payment. In this case, the client company assumes responsibility for the operational management of employees and the work environment must be a shared responsibility between the staff agency and the client company. The triangulation referred may also vary according to the type of contract used. Typically, when not dealing with a full-time contract, the relationship fits into temporary work and the employee is renamed "temporary agency employee" (TAE), and the staff agency renamed "temporary work agency" (TWA) (Ferreira, 2017; Hintikka, 2011; Hopp *et al.*, 2016; C. T. Liu *et al.*, 2010; Winkler & Mahmood, 2015). It is important to distinguish these relationships in order to facilitate possible discussion of the work environment.

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[1] https://www.staffingindustry.com

Figure 3 Staff outsourcing actors relationship
Source: author's elaboration based on (Arsdale, 2013; Hakansson *et al*., 2013; Hopp *et al*., 2016; Imhof & Andresen, 2018; Lopes & Chambel, 2014)
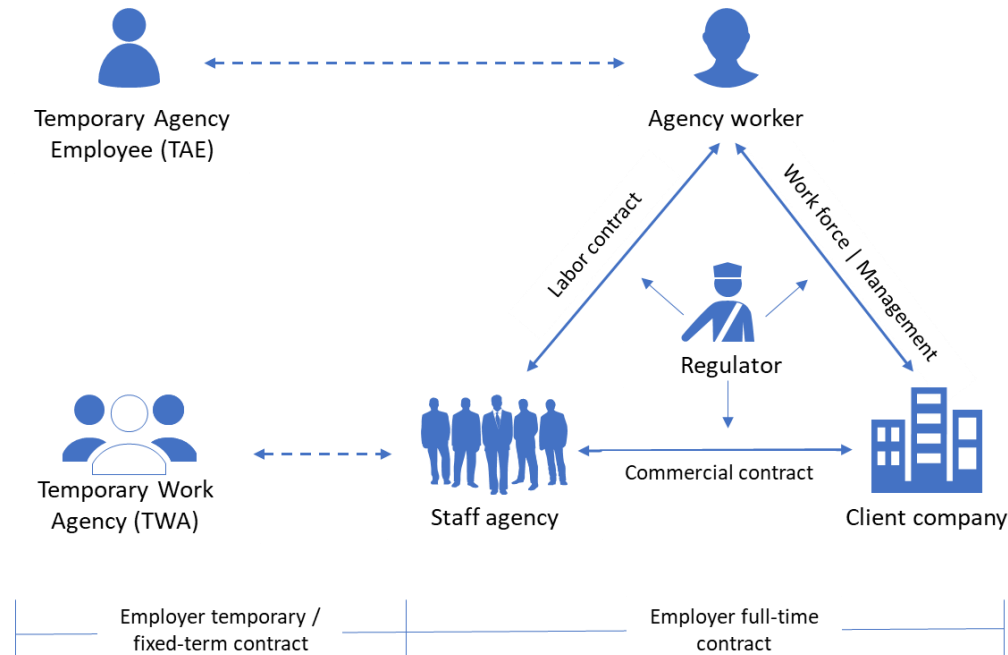
2.1.1.2 Staffing designation overlaps

Recent literature regarding employee leasing focuses on explaining that different names overlap (Lawson, 2016; Veleva & Antonova, 2017). Personnel leasing, employee leasing, staff leasing, worker or labour leasing means leasing of personnel from an organisation that handles the paperwork and administers benefits for those employees (Hopp *et al.*, 2016; Veleva & Antonova, 2017). A differentiating detail in employee leasing is that the employee leasing company is only a hypothetically theoretical employer for the final client company employees, as it only deals with regulatory paperwork and manages benefits for those employees without any additional interference in the day to day work of the employee. Employee leasing appears in response to the tendency to "export" non-core activities, which is not new. The authors Veleva & Katya Antonova (2017) recall that by the middle of the last century William Russell Kelly, known as the founder of temporary work, had already started hiring people and renting them to other companies. According to the same authors, there may be different models of employee leasing, of which three stand out: the Professional Employer Organisation (PEO) (Lawson, 2016; Seth & Sethi, 2011), a company that puts their employees on staff and permanently leases them to other employers, the Administrative Services Organisation (ASO) where employee leasing performs services that would otherwise be carried out by the client company, and finally, and the best known, a Human Resource Outsourcing (HRO) model in

which the employee leasing service performs the client company's HR functions and frees them to perform other functions. This includes hiring administration, training and legal expertise, planning health benefits, retirement plans and workers' compensation insurance (Karthikeyan *et al.*, 2013; Parashkevova, 2011; Seth & Sethi, 2011). Terms are not standardised, by referring to the National Association of Professional Employer Organisations (NAPEO)[2] website, we find that the definition of PEO takes on a slightly different meaning from the above, *"PEOs provide payroll, benefits, regulatory compliance assistance, and other HR services to small and mid-sized companies"*.

2.1.1.3 Temporary (staff / employment)

The concept of temporary staff is very detailed in the literature, with various points of view which show that it is a relevant and continuously updated theme. For Parashkevova (2011), the concept is similar to the concept of staff leasing but is distinguished by its relatively shorter period and the initial orientation for temporary employment. Davis-Blake and Broschak (2009) are two of the few authors who link the concept of outsourcing to staffing and temporary work practices. In their description of temporary work, they highlight that temporary workers perform more routine, unqualified tasks and present a higher risk of accident. On the other hand, the client company that uses temporary resources is also harmed because their workers may be less committed, which could lower their confidence when working with temporary workers. Dey *et al.* (2012) point out that temporary work is useful to client companies by reducing costs, risk of lawsuits brought by laid-off workers and mitigating adverse morale and productivity effects associated with layoffs. Temporary workers receiving the minimum wage or slightly higher, with lower levels of dissatisfaction and less training than permanent workers, and still only earning for hours they actually work for their clients, are warning points by Arsdale (2013). Many other authors talk about the subject (Allen *et al.*, 2017; Flickinger *et al.*, 2016; Hopp *et al.*, 2016; Imhof & Andresen, 2018; Inanc, 2018; Kuroki, 2012; C. T. Liu *et al.*, 2010; Lopes & Chambel, 2014; Underhill & Quinlan, 2011; Veleva & Antonova, 2017; Winkler & Mahmood, 2015).

2.1.1.4 Body shopping

The author Maitra (2015) defines Body Shopping as being staffing, using as an example India-based IT recruitment staff in India, who buy (Shopping) qualified people (Body), i.e., recruit people for short term projects. Other authors (Majumdar *et al.*, 2011; Sharma, 2014) define the

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[2] https://www.napeo.org/about-napeo

term similarly but fully associated with IT companies in India, *"supplier of low-cost coders and programmers for onsite work"*. Majumdar, Simons, and Nag (2011) specify in their study that larger suppliers, incorporated, public and owned by foreign subsidiaries more often provide body shopping practices in their international services, notably for technology purchase and system maintenance.

The authors Bhattacharjee and Chakrabarti (2015) highlight the current ridicule of the concept of Body Shopping regarding offshore practices, in which Indian software professionals were taken to the client's site to execute the project, that is, abroad, in the country. However, he admits that this practice was positive for India, exposing Indian software professionals internationally. As main topics, Maitra (2015) notes that with the strong demand for IT capabilities globally, we see the proliferation of TWAs that serve as crucial channels to facilitate global circulation and just-in-time workers to meet customers' requirements. For Sharma (2014), this monopoly of India will end because China is already a strong competitor and countries like the Philippines, Romania, Poland and Brazil are rapidly acquiring and matching the same capabilities. Bhattacharjee and Chakrabarti (2015), on the contrary, believe that India will maintain its undisputed leadership in IT outsourcing.

2.1.1.5 Other definitions

Several concepts sometimes overlap with the concepts covered in this work, so it is relevant to discuss some of them briefly here, such as "co-employment", "Staff Augmentation", "Contracting-out" and "Outstaffing".

Veleva *et al.* (2017) show that NAPEO defines co-employment as the *"contractual allocation and sharing of employer responsibilities between a Professional Employer Organisation (PEO) and its client"*. In an employment cooperation agreement, employees are technically employed by two separate companies: the client, who controls their daily duties and key job assignments, and the PEO / contractor, who handles personnel-related duties. Co-employers basically provide services and benefits to a client through their existing workforce. The term "Staff Augmentation", according to the literature reviewed, is used by several authors who investigate outsourcing, specifically IT. It is described as the name implies; capacity enhancement through external people provided by staff agencies, and is associated with offshore services and help-desk (Bloch et al., 2010; Nevo & Kotlarsky, 2014; Schwarz, 2014). Another of the similar terms is "contracting out", the difference between outsourcing and contracting is rather subtle. However, in the articles analysed the terms "contracting out" and derivatives were used only as

a synonym for outsourcing, see examples from Currie *et al.* (2008), Dutta *et al.* (2011), Mudambi & Tallman (2010), without any reference to another meaning or distinction, such as Parashkevova's (2011) phrase *"outsourcing, i.e. contracting out services"*. Parashkevova (2011) is the only author to speak of the definition of "Outstaffing", referring to the "exclusion" of internal employees from the organisation through the transfer of civil and legal relationship to a company that provides staffing services.

2.1.2 Employee conditions

What makes the triangular relationship of service "flexible" is that working conditions, working time, and employee compensation are negotiated by the other two parties without their direct contribution. TAE, without any union power, has only the limited control to be able to refuse employment or the ability to leave at any time even after it has started, but can influence the likelihood of being picked for future opportunities. "Flexibility" increases for TWA as well as profit whenever there is a high temporary workforce to choose from. Arsdale (2013) points out that for TWA this is one of the positive consequences of high unemployment and poverty in this era of outsourcing: the more unemployment, the more temporary workers; the more temporary workers, the higher the power of companies to hire labour more flexibly and cheaply, as shown in Figure 4.

Figure 4 Adaptation by Arsdale's (2013) premise of the work impact chain
Source: author's elaboration
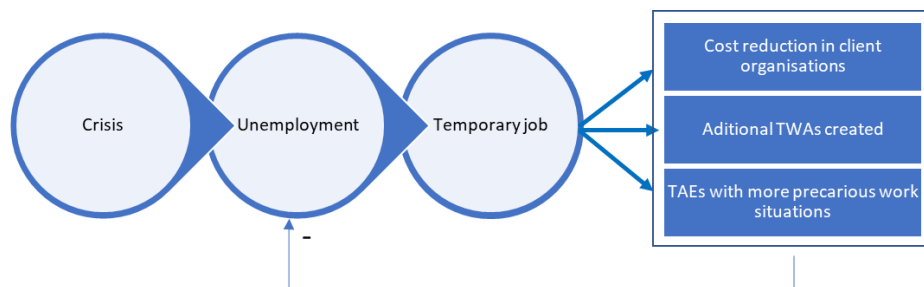
This situation causes most employees to receive a minimum or below average hourly wage by discounting any waiting time between jobs, which means unemployment within a full-time job and subsequent part-time employment that promotes meagre satisfaction rates. Many authors clearly state that all working time that benefits employers should be paid (Arsdale, 2013; Inanc, 2018; Kim *et al.*, 2017). In fact, TAEs are on average less affluent than permanent workers in terms of pay, have less access to training, less job satisfaction and job security (Hintikka, 2011; Hopp *et al.*, 2016; Kuroki, 2012; Roquelaure *et al.*, 2012; Underhill & Quinlan, 2011; Vlandas,

2013) so it is doubtful why so many employees are under these conditions and why the model has been successful (Hopp *et al.*, 2016; Inanc, 2018; Kim *et al.*, 2017; Lopes & Chambel, 2014). Underhill (2011) reinforces this unbalanced message by showing through his study that temporary workers experience different and more acute risks than direct hires or permanent workers.

Often employee reasons for such choices have been portrayed as a voluntary versus involuntary dichotomy (Lopes & Chambel, 2014; Winkler & Mahmood, 2015). Voluntary TAEs tend to underline reasons such as flexibility, freedom and diversity offered by temporary employment, while involuntary TAEs select these temporary work arrangements because they feel "obliged" to do so as they need a job and cannot get one another way. As a reinforcement of this type of "obligation" Hopp (2016) alludes to the fact that some studies show that over 50% of TAEs have previously been unemployed for an extended period. In terms of the psychosocial work environment, the literature review also shows that job insecurity is a significant stressor for psychosocial health (Hakansson *et al.*, 2013). Hintikka (2011), in his article, focuses on the frequency of workplace accidents and concludes that it appears to be consistently higher in TWAs and should be accompanied with preventive actions in more detail, to avoid the worsening of some TAEs' work conditions.

Most TAEs around the world prefer to have a permanent employment contract and aspire to be hired by the company they work for (Lopes & Chambel, 2014), see temporary work as a way to more easily achieve permanent employment and do their best to demonstrate that they will be good workers and should be hired by the client company (Anagnostopoulos & Siebert, 2015; Hopp *et al.*, 2016; Kuroki, 2012; Lopes & Chambel, 2014; Winkler & Mahmood, 2015). Another highlight is the study by Mahmood (2015) regarding the temporary experience of temporary workers as borderline subjects in flexible organisations, which concludes that TWA workers are not employees of the client company even if they are doing the work there, but at the same time they do not have employee status at TWA despite being an employee there, i.e. neither full insiders nor full outsiders, resulting in the ambiguous question of where they really belong, who they are and how they should respond to their employment situation. Lacking the structural link, employees find it challenging to develop a sense of belonging and loyalty to the client company, as they are continually denied this status internally, experience various situations in which they feel marginalised and disadvantaged compared to regular employees, for example something as simple as being unable to attend the Christmas party (Winkler & Mahmood, 2015). Still in this context, Flickinger (2016) addresses issues such as differences

in the relationship between job satisfaction and turnover intentions of temporary and permanent employees. These are related to the differences in social relations that employees form with their supervisors.

As the temporary work setup does not allow TAE to build high-quality relationships with their client company superiors in the same way as their permanent colleagues, so it follows that satisfaction can never be at its maximum and turnover is at stake. From another angle, Arsdale (2013) states that there is a minority of temporary workers with an active voice in defining and evolving their working conditions, particularly in specialised fields such as technology and medicine. These TAEs are commonly referred to as subcontractors, although their origin is the same as non-professional temporary workers. The skills of professional temporary workers are in lower supply and higher demand compared to the average temporary worker.

In the literature, not everything is unfavourable, it is mentioned that professionals with high skills who have scarce skill sets are changing and shaping the market by taking advantage of the wave of temporary work. Temporary work is nowadays seen by many TAE as a *"free will perspective"*, having the chance to choose interesting tasks and projects but also allowing some freedom to decide where and when to work (Hopp *et al.*, 2016; Winkler & Mahmood, 2015). Given the support of some TWAs in matching jobs and paying health and pension provisions, TAEs with a scarce skill set can leverage their market power to negotiate better working conditions and may be better off as TAE permanent than as a comparable permanent employee (Hopp *et al.*, 2016), thus contradicting the concept of some authors (Arsdale, 2013; Inanc, 2018; R. Lopes da Costa *et al.*, 2014) that *"safe employment"* is usually contractual, either through collective agreements or from employee to employer. McKinsey reinforces this idea in its study (McKinsey Global Institute, 2018) revealing that today, more than 70% of people are self-employed by choice and more than half of the workforce will be self-employed by 2027.

All these trends and changes need adaptation by TWA and client companies, for example, client companies need to create appropriate HR activities for temporary workers who may hold key positions in the organisation (Imhof & Andresen, 2018; Kuroki, 2012). In general, organisations are giving higher priority to the well-being of permanent and temporary employees as an indicator of their organisational success (Imhof & Andresen, 2018).

2.1.3 Regulation of non-traditional work

In 1982, the Member States of the European Union[3] clearly defined the concept of temporary work as a tripartite working relationship, based on a *"triangular employment relationship"* between a TWA, a TAE and a client company (Arsdale, 2013; Hopp *et al.*, 2016; Imhof & Andresen, 2018; Lopes & Chambel, 2014; Vosko, 2010). One of the most discussed topics in the literature in recent years on this topic points to the regulation of professions. The protection of TAE is a particular challenge for governments in terms of regulation, a hotly debated topic, for example at EU and Member State level but also in other countries. Maitra (2015) exemplifies the case of India whereby each agent in the chain withdraws part of the worker's monthly salary as part of the agreement and workers accept below-average conditions to avoid unemployment and survive in a neoliberal, racialised labour market, lacking *"stability and predictability"*. The same author also points out that both host countries, staff agencies and Indian TWAs are complicit in this kind of precarious treatment and that no one is refraining from using these practices with workers. For many authors, it all boils down to the fact that the current structures and functions of employment practices in the hiring industry allow for, in many cases, the clear violation of laws (Anagnostopoulos & Siebert, 2015; Arsdale, 2013; Hintikka, 2011; C. T. Liu *et al.*, 2010; Veleva & Antonova, 2017).

Temporary work is influenced by labour market systems, governments and rules governing trust and authority and financial systems (Allen *et al.*, 2017; Vosko, 2010). However, most legislation is incipient, limited to the regulation of topics such as renting durations, employment contract rules, discrimination penalties and the possibilities of employing a former regular employee like TAE (Hopp *et al.*, 2016; Vosko, 2010). Vosko (2010) reinforces this message by indicating that precariousness in triangular labour relations is not inevitable, but those responsible cannot establish future directions. Still in this line of thought, several authors report that there is a growing realisation that temporary work is becoming the great stabiliser of modern capitalism, as in many cases it is the result of governments' political choices to create flexibility in the generation of employment (Anagnostopoulos & Siebert, 2015; Arsdale, 2013; Vlandas, 2013). However, the prescriptions of neoliberal policy are not always appropriate and invariably do not lead to superior outcomes for employees and employers (Allen *et al.*, 2017).

This form of temporary, non-union, low-wage and unpredictable wage employment does not solve the problem of growing poverty in this age, as ethical companies that offer excellent

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[3] https://www.eurofound.europa.eu/publications/report/1999/temporary-agency-work-in-europe

conditions to employees, such as fixed contracts, health insurance and better wages find it difficult to cope, compete and ultimately survive in a market where competition has the option of using temporary staff. The ethical business community, trade unions, workers' rights organisations, citizens and workers must come together to pressure responsible governments to acknowledge this situation and act (Allen *et al.*, 2017; Arsdale, 2013; Vosko, 2010). Although there have been examples of deregulation in recent years, the general trend is that legislation and regulations are increasingly targeting the reduction of social dumping, one example being the EU Directive 2008/104 / EC (Hakansson *et al.*, 2013; Vosko, 2010).

2.1.4 TWA and relations with stakeholders

McKinsey (McKinsey Global Institute, 2018) reveals in its discussion paper based on a survey of 3000 business leaders, Skill Shift: Automation and the future of the workforce, that *"companies of all sizes plan to use temporary employees and external contractors more than outsourcing agencies".* It is also revealed that up to 30% of working-age workers in the US and Europe receive salaries through independent employment contracts, including, temporary workers placed by human resources staff agencies and participants in the online gig economy. Despite the advantages reported due to decreasing economic instability and recession, employers become shy about hiring full-time or contractual employees. It is challenging to hire a long-term worker when you are not sure if there will be revenue to sustain employment when the economy shrinks, or when production needs to decline. Temporary workers are easily eliminated, redundancy and unemployment benefits are avoided, flexibility and cost savings are gained, and the core competencies of the company and its investments in specific training in key employees are protected. But other views are listed in the literature as advantages for TWAs and client companies, an essential aspect of the hiring and selection process is the true unobservable capacity of the potential employee (Hopp *et al.*, 2016). Employees may claim to have the necessary capacity to perform a particular job, but the true nature of this statement remains unobservable from the start. A way to overcome this information asymmetry is the demonstration of capacity, so the longer the time (ceteris paribus), the more the employer will be able to reduce the asymmetry of information about the TAE and infer valuable signals about skill, talent and motivation in order to make an informed hiring decision (Arsdale, 2013; Hopp *et al.*, 2016). Flickinger (2016) notes, however, that there may also be disadvantages to this type of approach for client companies; the loss of a highly qualified TAE due to an unexpected turnover can be as damaging to an organisation as the loss of a permanent employee. Although this type of work is commonly called *"flexible employment"*, Arsdale (2013) describes it as

another method of controlling the workforce through a modern usurpation of workers' working time. Also, Liu at al. (2010) indicates that it is important to measure the quality of TWA service offered to the temporary workers; this quality can be defined by five dimensions: tangibles, reliability, interpersonal supportiveness, service supportiveness, and service convenience.

2.1.5 Types of outsourcing arrangements

An important observation arising from the research on outsourcing is that there is an enormous variation in how companies get involved in outsourcing agreements (Davis-Blake & Broschak, 2009). In fact, the same type of supplier can operate under different outsourcing agreements, based on the preferences of the client companies that structure these arrangements (Currie *et al.*, 2008; Davis-Blake & Broschak, 2009; Mudambi & Tallman, 2010). While the general concept is relatively normalised, the different arrangements or typifications show differences in explanation among authors. While for many authors, the concept of outsourcing is "dismantled" into geographical arrangements, others discriminate arrangements through types of contracts, and there are still several subtopics that are not as detailed and that are important to mention.

2.1.5.1 Arrangements by type of contract or job

A literature review of recent years suggests that there have so far been three significant trends in outsourcing industry arrangements (Plesa *et al.*, 2018): Business Process Outsourcing (BPO), Information Technology Outsourcing (ITO) and Knowledge Process Outsourcing (KPO). However, and as indicated by the authors, most of the available research seems to focus only on the first two types.

Several authors (S. Liu *et al.*, 2017; Zhang *et al.*, 2018) describe BPO as activities or projects where service providers accept, manage and control business processes that a customer trusts and selects. Munjal *et al.* (2019) also include specialised services and knowledge-intensive activities, such as R&D, which overlaps with the concept of KPO, for other authors. Some less positive points mentioned are highlighted; although BPO can reduce costs and increase the competitiveness of companies, the implementation of BPO projects is unsatisfactory and subject to immense risks (Choi *et al.*, 2018; Zhang *et al.*, 2018). Davis-Blake and Broschak (2009) do not use the term BPO but similarly describe a category of outsourcing that involves the localisation of parts of business processes or the manufacture of components of complex products or services, beyond the limits of the leading companies.

The term ITO is described as external services specifically related to IT tasks and is distinguished from BPO because it involves, above all, the handling or production of hardware and software (Alexandrova, 2015; Dutta *et al.*, 2011). According to Han *et al.* (2013), economic benefits are possible if companies use ITO, i.e. the use of specialised knowledge and the economies of scale of the human and technological resources of the service provider. The same authors also reinforce that success can only be achieved if there is alignment between the IT resources of the client and the supplier in terms of specific routines, processes, skills and organisational resources. Several authors justify the study of the theme on a larger scale compared to other ITO data being more standardised because most purchasing companies use the same equipment (Dahlgrün & Bausch, 2019). Other authors (Alexandrova, 2015; Dutta *et al.*, 2011) highlight the risks associated with ITO for client companies: complete loss of organisational skills and the possible exploitation by suppliers. It is also mentioned that the IT area cannot be seen as a commodity.

Banerjee *et al.* (2011) indicate that KPO is an extension of BPO but unlike BPO, where an entire process can be outsourced, in KPO only a part of a larger process is outsourced, for example, market research and data analysis, financial analysis, analysis and work related to intellectual property and others (Plesa *et al.*, 2018). So-called modern organisations have evolved the outsourcing of business processes into the outsourcing of high-value processes as a way to adapt to the reality of a rapid change from an industrial economy to a knowledge-based economy. It no longer counts only labour force, but intellectual "labour" (Plesa *et al.*, 2018; Sachdeva *et al.*, 2009). This led to the emergence of a new trend in the process of outsourcing knowledge, through KPO's. Nowadays, many authors believe that transferring activities impacts heavily on company performance and involves a much higher degree of complexity (Currie *et al.*, 2008). Currie *et al.* (2008) opportunely question the naturalness of the KPO concept *"An important question about KPO is that: If knowledge is so important to competitive advantage, why are companies outsourcing it? Is it a myth or are we referring to other kinds or variants of knowledge?"*. The authors indicate that knowledge should be contextualised because it is likely that the definitions of KPO depend on the different characteristics of companies and industries. In this modus operandi, grounded in knowledge, with requirements of higher analytical and technical skills, as well as decisive judgment, the providers of such services then have to adapt their employees or start to hire looking more for analytical skills, advanced techniques and a high degree of specialisation (Plesa *et al.*, 2018; Sachdeva *et al.*, 2009). Plesa *et al.* (2018) further highlight that the benefits of KPO are more

challenging to quantify than for example in BPO, but that companies can benefit significantly in terms of revenue or improve competitive advantage, in addition to cost reduction and flexibility, that are always the points of reference. Not being faced with a typical labour scenario, it is possible to use other countries with the same skills, but where resources are cheaper, and it is possible to work in continuous flow scenarios if there are time differences.

2.1.5.2 Arrangements by type of location

In terms of standardisation of concepts, the arrangements by type of location are coherently defined in the literature. The division mainly involves three types: offshore or international sourcing, nearshore and onshore. Dekker *et al.* (2018) indicate that the complexity of the outsourcing contract does not differ if it is done between companies from the same country or with companies from different countries. However, contracts between different countries have a shorter duration, more renewal provisions, less flexibility, and contracting costs.

Offshore outsourcing distinguishes itself from outsourcing, since in the concept of offshoring the company providing the service is subsidised by a company located in another country, in other words, what differentiates outsourcing from offshore outsourcing is the location of the seller (Chakravarty *et al.*, 2014; Dolgui & Proth, 2013; Kotlarsky & Oshri, 2008). This specific arrangement of geography has received considerable attention due to its preponderance in international trade and its implications for employment and economic growth (Choi *et al.*, 2018; Pongelli *et al.*, 2019). Choi *et al.* (2018) highlight that the more global (offshore) the network of sourcing suppliers, the higher the availability of lower-cost or better quality suppliers. Some authors point out that empirical work on the value of offshore outsourcing at the company level has been limited and inconclusive (Choi *et al.*, 2018; Mukherjee *et al.*, 2013) and that there are some problems with this type of arrangement such as different languages and time zones, loss in innovation (Choi *et al.*, 2018), although lower costs still make it a valid option. It is also important to mention the work of Williams and Durst (2019), which indicates that for a higher probability of success, the knowledge of client companies has to pass to the supplier organisations. Munjal *et al.* (2019) also add to the debate about offshore, regarding how a company's home country and its size is relevant in the outsourcing decision. The example is used that unlike Western multinationals, small companies in emerging economies, given the lack of advanced specialised resources, should use offshore outsourcing and strive to reduce internal costs as well as increase their borders.

Nearshore outsourcing means that the developing company is in an adjacent or very near country. This concept is similar to offshore outsourcing with the only difference that the company providing the service is located in a country relatively close to the buyer and is in the same time zone. Note that the word "nearshore" appears dozens of times throughout the analysed articles yet none of the authors explains in detail its meaning.

The concept of onshore shows unanimity in recent literature. The concept is described as the exchange of services between the vendor in same country as the client (Chakravarty *et al.*, 2014; Jain *et al.*, 2011) and is associated with critical activities that may require closer proximity and control (Currie *et al.*, 2008; Dutta *et al.*, 2011). Niazi *et al.* (2013) indicate, however, that onshore IT activities generally cost one-third more than offshore.

2.1.5.3 Other arrangements

Other authors refer to types of parallel or complementary arrangements to the terms previously characterised, and there is a confusion of concepts (Dolgui & Proth, 2013).

Referred to several times in the literature, the term subcontracting is described in various ways, but also superfluously. Dolgui and Proth (2013) even state that, sometimes, managers confuse "outsourcing" and "subcontracting", explaining the term as part of the work transferred to another company that has special skills or resources that allow it to perform specified tasks under better conditions. Other authors (Anagnostopoulos & Siebert, 2015; Currie *et al.*, 2008; Grimshaw & Miozzo, 2009) define subcontracting as a common practice in large outsourcing contracts, where the main supplier brings together other suppliers to meet the terms and conditions of the contract. Currie *et al.* (2008) give an example that *"...a large IT supplier, having won a major outsourcing contract, may sub-contract programming work to a smaller IT supplier."*. Interestingly, other authors use the term outsourcing and subcontracting as if it were the same, or call subcontractors "outsource service providers" , with no distinction made (Mehta & Mehta, 2017; Mokhtari & Abadi, 2013; Perdikaki *et al.*, 2015). Baatartogtokh *at al.* (2018) state that contracting out and subcontracting are the same thing, explaining that it is work assigned to an external supplier on a work-to-work basis, usually involving an additional cost arrangement. Oke and Onwuegbuzie (2013) use the concept of "subcontracting-in" defining it as a situation in which a company undertakes activities on behalf of a client, thus allowing the company to leverage its internal capabilities.

Davis-Blake and Broschak (2009) do not mention the term body shopping but indicate alike that outsourcing can involve the acquisition of human resources by way of labour market

intermediaries through different channels, such as temporary employment agencies, professional organisations of employers and executive search companies.

There is also the term "strategic alliance", used as a possible outsourcing arrangement. The main difference between the strategic alliance is that the relationship is seen as a partnership between companies, in which their resources, capabilities and core competencies are combined to pursue mutual interests, typically the downgrading of direct and indirect costs related to labour, materials, machinery and overheads. In the strategic alliance, there is typically profit sharing, which is similar to a society (Dahlgrün & Bausch, 2019; Hansen & Rasmussen, 2013; Mehta & Mehta, 2017; Modak *et al.*, 2019).

2.1.6 TWA and temporary work business models

According to recent literature, TWAs generally do the same thing; search for, find, interview and hire a certain number of employees (TAE) to be assigned to client companies according to need for a given, usually short, period. The client company in these situations exercises the rights of an employer, despite not having an employment relationship with the employee (Arsdale, 2013; C. T. Liu *et al.*, 2010; Veleva & Antonova, 2017). However, the discussion on this topic is centred on the working relationship outside the normal standards of fixed-term hiring, which strongly impacts on the relationship between people and their work and is undoubtedly a striking aspect of the current economy. In the European Union, the list of types of work characterised as temporary work includes fixed-term contracts, seasonal work, contracts of limited duration, project contracts, training contracts and temporary employment contracts (Anagnostopoulos & Siebert, 2015; Hopp *et al.*, 2016; Imhof & Andresen, 2018). Each type of temporary work can also take on two configurations: the final client companies that hire TAEs through specialised staff agencies (TWAs), or clients that directly establish fixed-term contracts with employees without interference from third parties, this last one not being the most typical configuration today (R. Lopes da Costa *et al.*, 2014). The first configuration, which is the most normal and most commonly used is referred to by Lopes and Chambel (2014); the TWAs bring more advantages to the client company than permanent or temporary hiring, due to the specialisation of resources needed for the search and selection and also by the low cost of labour for selection and management, because also this service can be hired and paid for only when there is work to be done.

Few authors have studied and given focus to the internal management of a TWA (Grover Goswami, 2018), however there are some studies of how the operation helps, or can help to

develop the capabilities of the company. In this line, the work of Brandl (2018) is an extraordinary exception because it studies and concludes that, in an offshore outsourcing company, the development of capabilities of employees who are internal but who work outside, does not automatically translate into organisational capabilities since most of the tasks that are performed with the client are codified, sequential and, even if advanced, do not require decisions or judgments. The author also reinforces that, in this context, employees also lose out because they do not always evolve and may become demotivated. Larsen *et al.* (2013) reinforce the idea that it is necessary to do more research and define the organisational capabilities needed to offer these types of services, since the focus continues to be on the study of the advantages and disadvantages for client companies. Through an empirical study, Johansson and Siverbo (2018) indicate that the self-control of TWA at work is influenced by the existence of competition. When the latter is lower, the costs of controlling the client's company increase in order to compensate for a possible lack of self-control by the supplier.

2.1.7 Discussion and conclusions

The outsourcing industry has progressed rapidly and has been accumulating diverse literature on the subject over the past 50 years. However, the continued expansion of the outsourcing field has begun to intersect with other areas such as staffing, temporary work and the renting of specialised resources, which makes it difficult for researchers to complete an overall assessment of the existing literature. This analysis makes several contributions to the outsourcing literature related to the transaction of specialised resources.

As a first contribution, we point out that it is the first study, or certainly one of the first, to depend on text mining and topic modelling analysis techniques to map the research field in question objectively. Compared to traditional reviews in this area, there are already some differences, such as the study by Liang (2016) based on citations, however most of them are mainly based on subjective interpretations by researchers. This review integrates an objective methodology through an analysis that brings together all the articles in an integral manner, i.e. the entire text, and not just titles, citations or abstracts, resulting in a set of topics that reflect the real state of the Staff Outsourcing field. The analysis carried out on 186 articles, which resulted in six topics, aimed to reduce possible human biases, and provide a complementary perspective to the knowledge obtained from previous studies.

As a second contribution, we intend to enunciate possible gaps and conflicts between concepts after a detailed analysis of the literature and suggest future directions for research.

2.1.7.1 Staff Outsourcing definition

The first topic is undoubtedly one of the main topics that characterises much of this analysis. Given that the themes of staffing and outsourcing are so dispersed in the literature, it is essential to analyse that information exists individually, integrated and overlapping. Fisher *et al.* (2008) reinforce this idea, indicating that *"the human resource management implications of outsourcing have been relatively unexplored"*. One of the first points that stand out in the area of staffing are terms such as HRO and ASO, which, by definition, overlap with the concept of BPO in outsourcing. Some authors characterise ASO as used for small and medium enterprises, but it is difficult to find this type of characterisation of the dimension when talking about BPO.

The concept of body shopping is very similar to the concept of staffing, however in the literature of recent years the concept of offshore practices of people stands out, and there are only references to body shopping practices in relation to India and the IT sector. Probably, "sub-contract" or "subcontract" is the most confusing term, with very different meanings. Arsdale (2013), in the framework of temporary work, refers to subcontracted employees if they possess higher specialisation, but in the context of outsourcing, the meaning is different, even incoherent, among several authors. Dolgui and Proth (2013), for example, explain the term as part of the work transferred to another company which possesses special skills or resources that allow it to perform clearly specified tasks under better conditions. Other authors define subcontracting as a secondary contracting to other suppliers, carried out by the main supplier who initially established the contract with the client.

Interestingly, there are still other authors who use the terms "outsourcing" and "subcontracting" as if they were the same. Terms such as "Staff Augmentation", "Contracting Out" and "Co-employment" are used similarly, even given different meanings by some authors who study staffing. However, it should be noted that many authors use the concept of "outsourcing" and "contracting out" as if they were the same. The term "outstaffing", as described in the literature found, seems essential given the impact on the economy, but it is little talked about, and on the subject of staffing, a similar term is not found in the literature. The clarification and normalisation of these concepts become essential and will bring added value to the scientific community and to business stakeholders.

This analysis leaves some unanswered questions that can be used for future empirical-based studies; for example, what is the base difference between staff outsourcing and staffing? More specifically, how do the concepts of staffing and outsourcing relate to the variables of type and

duration of contract, specialisation of work, the relationship of employees with the client organisation and connection, or not, to the IT area?

2.1.7.2 Employees conditions

Topic two is sparse from the perspective of outsourcing, as stated above, except for the term "body shopping", where the precariousness of jobs is highlighted with Indian workers being "traded" to other countries. Concerning staffing, the literature on this topic is extensive, but only when it comes to temporary work, namely Temporary Agency Employee (TAE). Several unanswered questions need further study; for example, it is not at all possible to conclude, after analysing the literature, if outsourcing service organisations also use temporary contracts with transacted employees. It is also not possible to determine whether the working conditions and treatment of employees in outsourcing companies differ, and in what way, from temporary employment and staffing companies. There are also doubts as to whether outsourcing service companies have more ease in recruiting, or not, as well as whether their transacted employees experience higher levels of satisfaction when compared to staffing and temporary work companies.

2.1.7.3 Regulation of non-traditional work

All the literature analysed in this theme refers to the concept of temporary work, with variations according to the location and type of policies per country. It is easy to understand that researchers are calling on the world to adapt laws in order to protect workers, but also to ensure more transparency in the demonstration of statistical employment data that influence the economy. More suggestions for models of how to change the current status quo on this matter need to be made, not just indications that the current regulations have problems and need to be improved.

2.1.7.4 TWA and relationships with stakeholders

Linked to various themes and including other topics as well, topic four validates the very latest research into the study of the relationships between TWA and its stakeholders. Despite the fact that there is some literature on the subject, the references are mostly made from the client's company perspective. Studies remain to be developed on how TWA can interact more with regulators and seek solutions, help improve legislation and better protect employees while maintaining the prosperity of their business. More empirical studies and relationship variables between employees and client companies can and should be investigated.

2.1.7.5 Types of outsourcing arrangements

Topic number five presents coherence in the literature. However, there are overlaps regarding the definition of BPO and KPO. Furthermore, some authors use the term "outsourcing" referring exclusively to the offshore arrangement. It is also clear that many authors point to the need for further studies to prove the value of outsourcing, particularly in offshore arrangements. Still, concerning offshore, the literature is moderate in the study of attributes and relationship variables necessary to support a successful relationship, as well as in the care to be taken by both related entities. No reference was found to offshore staffing, so there is a doubt as to whether the concept exists or not and is used.

2.1.7.6 TWA and temporary work business models

Regarding the last topic, it is essential to mention that few authors have studied and given focus to the internal management of a TWA or an outsourcing company, i.e., from the perspective of the supplier. Those who have studied this highlight that these companies currently do nothing more than trade human skills to respond to the business opportunities that the market provides. For this reason, it is natural that there are several questions in the literature that have not yet been answered or have been answered in an incipient manner regarding companies that trade resources. For example, it is not clear what organisational capabilities the various types of companies that trade resources need to have in order to be able to offer these types of services, what the retention and turnover rate is, if the quality and speed is viewed and prioritised in the same way, as well as if staffing companies are competitors of outsourcing companies and vice versa, and which of these is more successful. The determination of the variables of success in the relationship and business between customer and supplier is also a very relevant theme to be discussed more rigorously.

2.2 Management consulting

Note: A large part of the text of this chapter is part of scientific articles already published by the author:

- − Management Consulting Business Models: A perspective of sustainability (Pereira *et al.*, 2018)

- − Management Consulting Business Models: Operations Through and for Digital Transformation (Jeronimo *et al.*, 2019)

The world we live in is progressively becoming more complex, a consequence of a set of interrelated events that along with the deregulation of markets, the boom of globalisation and all the technological developments have contributed to an increased difficulty of defining the limits or boundaries between the different sectors of the economic activity. Management consulting is thus one of those activities which, in a world of asymmetric information, has raised many doubts since its beginning, not only regarding the borders discussed, but also the role consultants play and the value they bring to their clients by helping companies achieve their goals.

Most of the research conducted in literature was also a consequence of the impressive growth rates of the industry and its consequent impact in other organisations, an impact difficult to explain. Nowadays, more than the admired rates, the industry is being studied because of its intense use of knowledge, which when combined with their learning capabilities is considered to be the most important asset for business organisations. Therefore, there are several factors of this subject that ought to be explored. Moreover, there seems to be a significant lack of literature in understanding the way companies operate and the relationship with their performance. Furthermore, the theories and frameworks presented in literature appear to be biased, i.e some authors tend to exalt the consultants' role, while others completely despise it. In addition, it is not easy to find an objective overview on the theme, since most of the authors are either academics or consultants.

In the late 90s and around the turn of the century, literature and research on the consulting field was in an early stage, being limited to topics such as the origins of the industry, its rapid growth and the major players (Canback, 1998). For Freire (2008) the scenario changed and there was a plethora of themes covering the complex market of consulting, ranging from the fuzzy boundaries of the industry and the profession itself, to the types of services provided, the relationships with clients and knowledge management. Nevertheless (Srinivasan, 2014)

management consulting is an industry that has received little academic attention due to being highly fragmented and not regulated, as other professional service companies such as accounting and law. Moreover the nature of the services offers is hard to quantify and measure. From 2007 until 2015, the management consulting industry presented an average turnover of 3.7%, superior to the 1% average GDP growth in Europe. Additionally, it is evident the slowdown of the market evolution in 2009 due to the European Economic Recession (FEACO, 2015).

2.2.1 Consulting history

The management consultancy practice is considered as old as the civilisation. In literature (Canback, 1998; R. Lopes da Costa & António, 2014), it is described as one of the most antique practices in the world, due to its relation to human nature, in which providing support and consultation to others is part of the human being's DNA (Chapman, 1988) have equally stated that *"the advice business is as old as mankind*"". On the other hand, management theory and management consulting have appeared in more recent years (R. Lopes da Costa & António, 2014).

The evolution of management consulting is a process described to have occurred in three specific periods, as a consequence of the changes in environment where organisations operate, as well as due to the changes in management and the evolution of the organisations themselves, and as a way to keep up being updated with the trends. Nonetheless, there are divergent opinions regarding the specific periods when those phases took place. According to some authors (Canback, 1998; Chapman, 1988; Corsi, 2010; Gross & Poor, 2008; Kipping & Kirkpatrick, 2013; R. Lopes da Costa *et al.*, 2014), the professional development of management consultancy can be fragmented in scientific management, which appeared in the turn of the twentieth century and centred on the base efficiency of the company, also known as "shop-floor efficiency". It was followed by organisation and strategy with companies providing advice on organisational issues. It finally shifted to communication and information technology (since 1990), exemplified by the largest accounting and IT companies from the 1970s onwards (Kipping & Kirkpatrick, 2005; R. Lopes da Costa & António, 2014).

2.2.2 Business model

Even though there are different areas of consultancy (R. Lopes da Costa & Antonio, 2014; Nur *et al.*, 2015), in practice, all of them were nearly originated from management consultancy, Butler (2009) has therefore claimed to be difficult to explain management consulting because

of the hundred areas it encompasses. Moreover with the time, it is becoming more complex to understand the difference between consulting and management, since both activities are assuming tasks and functions of the other (Fincham *et al.*, 2013).

An attempt to define management consulting has been done by numerous authors and consultants through time. Nonetheless, Greiner and Metzger (1983) definition described Management Consulting as an advisory service contracted for and provided to organisations by specially trained and qualified people in an objective and independent manner. These specialists will help the organisation to identify management problems, analyse those issues, recommend solutions and help as requested, in the implementation of solutions, (Canback, 1998; R. Lopes da Costa & Antonio, 2014) have associated management consulting, to the importance of knowledge for the industry by saying that management consulting is described as a means of distributing knowledge and new organisational practices, by sharing knowledge and therefore by learning capabilities within and between organisations. Nevertheless for Freire (2008), there is still not a worldwide accepted definition for management consulting, partly due to the non-existence of consensus on what counts towards the delimitation of the market in terms of activities and of the service providers.

2.2.3 Portfolio of services and clients

It was possible to find in literature several efforts in segmenting the consulting industry according to the services provided (Gross & Poor, 2008) found that traditionally the majority of services lines offered could be divided into four groups namely Strategy, Human Resources, Operations and Information Technology, having become the last two dominant in the beginning of the century worldwide (Chapman, 1988) added the segments he considered for management consulting financial scope, namely Personnel, Financial analysis, Auditing, Systems analysis, Market research, Product design, Long-range planning, Organisational effectiveness, Safety, Human resource development. Concerning the width of the portfolio of services offered by consulting companies (O'Mahoney & Markham, 2013) drew two antagonistic strategies to adopt: niche and generalist.

"The consulting sector owes its existence to the existence of people continually demanding for their services. It becomes, therefore, essential to establish and preserve those valuable relationships." (Vieira & Proença, 2010). There were found in literature several ways of how opportunities may arise in the consulting companies universe. Nonetheless, based on De Castro and Alves article (De Castro & Alves, 2005), there are two "entry forms": first clients may take

the initiative to call the consultants then the initiative can be triggered from the consultant side and second, opportunities may also come from existing clients, when consultants recognise other problems beyond the scope of that project (De Castro & Alves, 2005). The way to build strong relationships is focusing on elements such as trust and honesty (Chelliah *et al.*, 2015). It is equally worth mentioning the importance of exploring mutual expectations along the relationships (Nikolova *et al.*, 2009) to avoid disappointing results (R. J. Lopes da Costa *et al.*, 2013). Regarding to the most common types of client (Gross & Poor, 2008) revealed the private sector, governments and non-profit organisations as the main users of management consulting services.

The importance of knowledge is often stressed and described in literature as the raison d'etre of knowledge intensive companies (Powell & Ambrosini, 2012). Corporations that have superior knowledge are able to coordinate and arrange their traditional resources and capabilities in new and unique ways, providing an added value for their clients, as they are able to understand how to generate and develop their traditional resources better than competitors, being the most important competence for building a sustainable competitive advantage. Knowledge can hence be considered the most important strategic resource (Barney, 1998; Grant, 1996; Watson & Hewett, 2006; Zack, 1999).

2.2.4 Consultants

It is truly difficult to create a widely accepted definition about the concept of Management Consulting and its origin and evolution, due to the difficulties on defining the ambiguous boundaries of the profession of consultant and on classifying the nature of the work, due to the dynamics of the environment in which the industry is embedded, and due to the wide range of areas that may be subject to consulting jobs.

Concerning the origin of the industry, Butler (2009) stated that *"the advice business is as old as mankind"*, and Costa *et al.* (2014) affirm that *"the management consultancy is one of the most ancient activities in the world"*. However, the first management consultants appeared around the turn of the century 20th, according to Canback (1998). At the same time, some of these consultants also started some of the first consulting companies in the World (e.g. Arthur D. Little, Inc.).

Regarding the definition of the referred concepts, Butler (2009) illustrates the difficulty to explain management consulting, mentioning that it encompasses hundreds of areas. According to Freire (2008), there was not an accepted definition of management consulting, and it arises

from the inexistence of consensus on what counts for the delimitation of the market in terms of activities and of the service providers. However, Butler (2009) stated that management consulting is an independent professional advisory service assisting managers and organisations to achieve organisational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning and implementing changes. Srinivasan (2014) tried to define the concept, suggesting that management consulting include any activity that has as its apparent justification the provision of some kind of support in identifying or dealing with management problems, provided by individuals, groups, or organisations that are external to the particular management domain and which are contracted by the management on a temporary basis.

 "What is unique in management is that from the very beginning the consultant has become a central figure as a practitioner, but also as the fountainhead of knowledge, as the leader in thought, in conceptualisation, and in establishing a profession" (Drucker, 1979). Nevertheless, while some researchers claimed consultants' role as knowledge disseminators to be overrated and lacking from understanding of the other company's environment (Canback, 1998; Ernst & Kieser, 2000; Srinivasan, 2014), defended that the discussed group of people is formed by trained and qualified professionals who study problems and are consequently able to apply competences and standardised instruments, not available in the market (Kipping, 2011). Those instruments are used as a means of helping them accomplishing tailor made solutions. In general, some of the main features of consultants were pointed out and are worth for discussion: their detachment, responsible for providing them an objective view over the problems (Corsi, 2010; Drucker, 1979), their ability to provide managers with a sense of control (Ernst & Kieser, 2000; Kipping & Kirkpatrick, 2005), their combination of uncommon competences and knowledge not available in the organisations (Corsi, 2010) mostly due to their "exposure" (Drucker, 1979), and their ability to create action (R. Lopes da Costa *et al.*, 2014).

2.2.5 Projects

In his paper about Mechanisms for sharing knowledge in project-based organisations Boh (2007) mentioned that in project-based organisation, of which consulting companies are example, the knowledge, capabilities and resources of the company are built up through the execution of major projects. Indeed, companies that organise their work adopting a project structure, are better at responding to the fast changing organisational needs, due to the flexibility provided by the structure referred (Boh, 2007). Therefore, one may affirm that the role of a

consultant evolves around projects from the very first moment they become part of a consulting company (Engwall & Kipping, 2013).

2.2.6 Motivations and critical success factors

According to the literature (see Back *et al.*, 2014; Bronnenmayer *et al.*, 2016; Klarner *et al.*, 2013), and even more, to the statistics and the reality, one may say that the Management Consulting assume today a crucial position in the business world, and in the world in general. Hence, it is possible to summarise some motivations that encourage companies to, nowadays, increasingly look for consulting services.

In a world subject to constant changes and disruptions, it is crucial to keep in the top of the wave and be innovative. Therefore, according to Back *et al.* (2014), management consulting companies can provide not only necessary information and cutting-edge knowledge but also legitimacy to innovation decisions through their support and confirmation. Additionally, according to Bouwmeester *et al.* (2011), one of the most important role played by consulting companies is that of legitimizer, supporting and justifying clients' decisions. Given the extensive knowledge, information, expertise, and even reputation, the involvement of consulting companies can increase company innovation in terms of both inputs and outputs (Back *et al.*, 2014).

Management consulting is only well executed and reach all its potential when some factors are ensured. In a study carried out by Bronnenmayer *et al.* (2016), the results suggests that the factors that are more positively related with the success of the projects and the clients' satisfaction are consultant expertise, intensity of collaboration, and common vision. Besides, provided resources, top management support and project management represent factors that have a positive impact as well.

2.3 Business models

2.3.1 Business model definition

The topic "business models" is not recent literature, there are several publications related to various businesses and sectors, however, there is still some lack of standardisation in the concepts although much has been discussed about this in recent years. Comparing the number of publications between 2004 and 2013, there is a significant growth in the period, which demonstrates that the topic is relevant (Ceretta *et al.*, 2016).

Many authors refer the term to e-business, but the primary analysis is focused exclusively on defining and transforming the business model of organisations. For Osterwalder (2005), this vagueness is since the concept is still recent.

For Magretta (2002), the definition of the concept comes from the questions of Peter Drucker, the initial writer on business models defines the concept with two fundamental questions: *"Who is our customer? What do they want?*" According to Slávik *et al.* (2017), business model is an internal system that solves the existential condition of the company, is about how a company works. At the same time, it will have significant implications on the market position of the company, assuming huge importance for its future.

For Ranjith (2016), business models are the company's theory of competitive advantage, and above all, it creates value to its shareholders. Teece (2010), adds that a business model describes the design or architecture of the value creation, delivery and capture mechanisms employed. Baden-Fuller *et al.* (2010) presented a series of definitions on business models given by other authors, where the word innovation is highlighted. The same authors also reveal that the definition varies from the classification of firms and starting point for innovation. The same authors also indicate that the model takes on the meaning of something ideal that is intended to be achieved. For example, Zott *et al.* (2010) define a business model as *"a system of interdependent activities that transcends the focal firm and extends its limits"*. Zott *et al.* (2010) also state that *"A business model can be viewed as a template of how a firm conducts business, how it delivers value to stakeholders (e.g., the focal firms, customers, partners, etc.), and how it links factor and product markets"*.

For Chesbrough (2010), the theme is highly related to innovation, and the companies commercialise new ideas and technologies through their business models. The author also concludes that *"business model innovation is vitally important, and yet very difficult to achieve"*. For Lee (2011) *"It is the combination of "who," "what," "when," "where," "why,"*

"how," and "how much" an organisation uses to provide its goods and services and develop resources to continue its efforts...".

2.3.2 Business model transformation

The idea of transforming the business model is seen as a form of innovation in the business model of companies (Chesbrough, 2010; Markides, 2008; Teece, 2010). For example, Markides (2008) in his book, states that there are risks that make business model innovation a barrier. The author points out that new business models, when presenting new products, may not be so attractive to current customers, and it may take time to gain new customers, which may generate impatience on the part of investors. The same author also highlights that a change can generate conflicts both internally and with new competitors.

Chesbrough (2010) also identifies the conflicts as internal risk, and that can jeopardise what the company has already achieved. The same author suggests a commitment to experimentation, proposing the use of tools and techniques that allow the participation of various stakeholders, a fact also reported by Teece (2010) that indicates that innovation in business models alone does not allow the creation of competitive advantage.

But there are still several that gravitate around the concept of Business Models to be studied, Ceretta *et al.* (2016) in their bibliometric study found that the "hot topics" in terms of literature are Management, Strategy, R&D and Industry.

2.3.3 Business model canvas

Business Model Canvas (BMC) is a model used by companies to define existing business models and develop new ones (Osterwalder & Pigneur, 2010). This model has been defined to comprise nine blocks, see

Figure 5, of describing an organisation and allowing stakeholders to fill it in through teamwork and brainstorming. Meanwhile, the business model canvas has suffered several criticisms, but also evolutions which shows relevance in the literature. For example, Joyce *et al.* (2016) have defined the so-called Triple Layered Business Model Canvas, a tool to explore sustainability-oriented business model innovation. Two layers are added, an environmental layer and a social layer based on stakeholder vision. The goal is that the three layers of the business model allow to see beyond and generate multiple types of economic, environmental and social value. (Coes, 2014) despite the various benefits, the main criticism is that the analysis excludes competition and is highly focused only on generating profit without taking into account other aspects necessary for the success of organisations. The author also mentions the unevenness of detail

needed in filling and each block. Proença *et al.* (2015) define and link a risk registry that can be used to collect risks from a Business Model Canvas of an organisation.

Figure 5 The business model canvas
Source (Osterwalder & Pigneur, 2010)

The Business Model Canvas

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
	Key Resources		**Channels**	
Cost Structure			**Revenue Streams**	
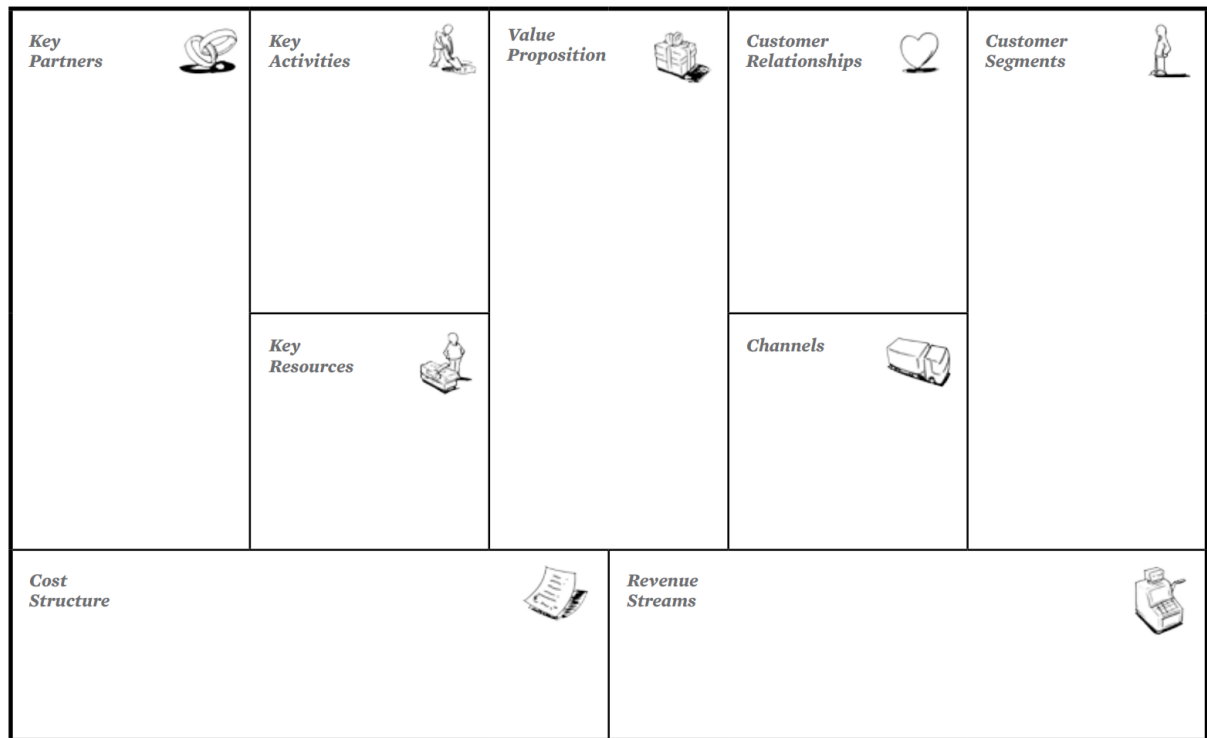
2.4 Theoretical model

As already mentioned in the literature review, BMC has gained enormous traction in recent years by being able to create a language that is easy to interpret and use for sharing and obtaining feedback on each business model (Teece, 2010; Zott *et al.*, 2011). Based on the literature review and support sources, e.g. FEACO and ASA, the BMC of both businesses were developed, Figure 6 and Figure 7.

The block Customer Segments is where there are more similarities between the two business models. Both operate across industry and functional areas of the company, for example, a customer company in the pharmaceutical area may through its human resources director request staff from a staffing company but may also request a project from a management consulting company.

Unlike Customer Segments, the Value Propositions block shows significant differences. Staffing companies bet on a service that will theoretically bring savings, risks mitigation and flexibility to customers, with some authors not wholeheartedly agreeing (Flickinger *et al.*, 2016). Management consulting companies bet on problem solving and assist managers and organisations to achieve organisational purposes and objectives. Bronnenmayer *et al.* (2016) considers that the form of collaboration is a critical success factor and that if it happens correctly, it brings value to the client.

Concerning the Channels block, there are also differences. This block describes how the company will communicate or reach the client to deliver a value proposition. Regarding staffing, nothing has been found in the literature that directly elucidates the channels of communication. Given the number of articles analysed, there may be a gap in the literature that can be explored. In the business model of management consulting the networking of partners, alumni and the website represent the channels found. Here, too, there may be more channels to be used by management consulting companies.

In terms of the customer relationship, the literature does not make explicit how the customer is related. Fisher *at al.* (2008), states that *"differing approaches to socialisation based on nature of the outsourced relationship"*. In management consulting models, trust and honesty, focus on the client and personal relationship throughout the client's business life cycle have been pointed out.

Block Revenue Streams shows that in both types of business models only fees for the main service were identified.

In terms of Key Resources the management consulting business model is characterised in the literature by expertise, knowledge management, capabilities and indirectly by certifications. In contrast, in the staffing business model, only employees were identified.

In the Key Activities block SIA, see Figure 2, highlight process outsourcing, payrolling, compliance, direct work engagement, talent acquisition technology and other workforce solutions. In the business model of management consulting, several actors highlight key activities, especially projects, R&D, hiring and measure performance.

Key Partners block are usually formed to reduce costs since the company is not able to possess all the resources nor to perform all the tasks entrusted to it. The literature mentions an only partnership with other suppliers in a subcontracting format for the staffing business. In the management consulting business model, partnerships with universities, professional societies, journals (David *et al.*, 2013) and associations are considered key (Collins, 2014).

Regarding Cost Structure, in addition to the salaries of employees present in both types of business models, hiring, training and workers' overheads and compensation insurance are considered. Highlights include certifications, marketing actions and publication and R&D costs associated with management consulting activities and expenses.

Figure 6 staffing BMC

Source: author's elaboration based on (Osterwalder & Pigneur, 2010)
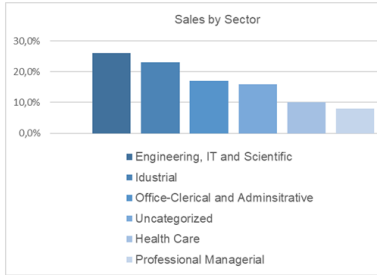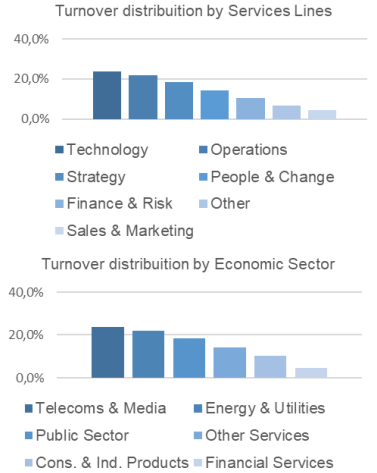
Key partners	Key Activities	Value Propositions	Customer Relationship	Customer Segments
- Other Staff suppliers (Anagnostopoulos & Siebert, 2015; Currie *et al.*, 2008; Grimshaw & Miozzo, 2009)	- Process outsourcing, SIA[2] - Payrolling/Compliance, SIA[2] - Direct work engagement, SIA[2] - Talent acquisition technology, SIA[2] - Other workforce solutions (Karthikeyan *et al.*, 2013; Parashkevova, 2011; Seth & Sethi, 2011)	- Flexibility and cost saving (Dey *et al.*, 2012; Fisher at al., 2008) - Decrease risk of lawsuits brought by laid-off workers (Dey *et al.*, 2012) - Mitigating adverse morale and productivity effects associated with layoffs (Dey *et al.*, 2012)	- Customer service / Personal assistance (Fisher *at al.*, 2008) **Channels**	 Source: (ASA, 2019)
	Key Resources - Employees (Dey *et al.*, 2012; Vosko, 2010; Underhill & Quinlan, 2011; Van Arsdale, 2013; Fisher *at al.* 2008)			

Cost Structure	Revenue Streams
- Employees wage (Arsdale, 2013; Hakansson K, Isidorsson T, 2013; Hopp *et al.*, 2016; Imhof & Andresen, 2018; Lopes & Chambel, 2014) - Hiring administration, training and legal expertise, planning health benefits, retirement plans and workers' compensation insurance (Karthikeyan *et al.*, 2013; Parashkevova, 2011; Seth & Sethi, 2011) - Training (Fisher *at al.,* 2008)	- Staffing and Recruiting fees (Vosko, 2010; Underhill & Quinlan, 2011; Van Arsdale, 2013; Fisher *at al.* 2008)

Figure 7 management consulting BMC

Source: author's elaboration based on (Osterwalder & Pigneur, 2010)

Key partners	Key Activities	Value Propositions	Customer Relationship	Customer Segments
- Universities (David *et al.*, 2013) - Professional societies (David *et al.*, 2013) - Professional journals (David *et al.*, 2013) - Management Consulting Associations (Collins, 2014)	- Projects (Engwall *et al.*, 2013) - Hiring (David *et al.*, 2013) - Measure performance (Klarner *et al.*, 2013) - R&D (Kipping, *et al.*, 2013)	- Problem Solving (Nikolova *et al.*, 2009) - Collaboration (Bronnenmayer *et al.*, 2016) - Assist managers and organizations to achieve organizational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning and implementing changes (Butler, 2009) - ability to create action (Lopes da Costa *et al.*, 2014)	- Trust and honesty (Chelliah *et al.*, 2014) - Expectations management (Nikolova *et al.*, 2009; Lopes da Costa *et al.*, 2013) - Personal relationship across client business lifecycle (Nur *et al.*, 2015) **Channels** - Company and partners networking (Bronnenmayer *et al.*, 2016) - Alumni (Kipping, 2001) - Website (Nur *et al.*, 2015)	 Source: FEACO survey 2018-2019
	Key Resources - Expertise / knowledge (Powell & Ambrosini, 2012; Bronnenmayer et al., 2016) - Capabilities (Powell & Ambrosini, 2012) - Certifications (David et al., 2013; Kipping, et al., 2013)			

Cost Structure	Revenue Streams
- Employees (Lopes da Costa *et al.,* 2014) - Top management support (Bronnenmayer *et al.,* 2016) - Certifications (Nur *et al.,* 2015) - Marketing (Nur *et al.,* 2015) - Writing /R&D (Nur *et al.,* 2015)	- Consulting fees (Nur *et al.,* 2015)

CHAPTER III - METHODOLOGY

This chapter is divided into four subchapters. Subchapter 3.1 frames and formulates the research questions. Subchapter 3.2 describes the research methodology adopted for the exploratory analysis, in subchapter 3.3, the framework adopted to illustrate the process used in the research is developed. Finally, subchapter 3.4 presents the process of data collection and critical analysis.

3.1 Research questions

All the research questions formulated here have arisen iteratively, i.e., as McNiff (2013) states, *"progressive illumination"* through the relevant literature review. Looking back, it is now possible to see that the first versions of issues recorded in this research would not generate new insights, something that was only clear as knowledge was filtered, segmented and accumulated. The research began with a general focus research question, *"Do staffing business models enjoy competitive advantages?"*. This served as a basis and then gave rise to more detailed research questions. After several iterations, the research question evolved towards the transformation of the business model. The current issues reflect gaps in the literature and therefore represent an academic added value, while these insights can also be used by managers for reflection and application in the context of their organisations. As this research was based on justification rather than foresight, the emphasis on current issues was fundamental to explain the success or failure of the strategies presented.

It is also important to note that the answer to the research question, due to its nature, will have symmetry of potential results, that is, the results, no matter how detailed, or not, they are, and regardless of the innovation of the recommended strategy, will result in an important transformation model for the evolution of knowledge in this area.

The formulation of research questions requires thoroughness and consistency to be observed, and is probably the most crucial step of the research work itself (McNiff, 2013; Yin, 2017). In this context, and following the recommendation of Maylor and Blackmon (2005) (Saunders *et al*., 2019) all research questions were analysed and reformulated according to the well-known SMART test (Specific, Measurable, Achievable, Relevant, Time-bound).

For the proposed objective of this thesis, the central research question to be explored is:

How to transform the business model of staffing companies into a management consulting business model?

The central research question can be analysed by exploring the following questions in both types of business models:

1. What is the meaning of staffing and outsourcing in Portugal, and in which areas do they overlap?

    In Portugal, in many of the large and medium sized companies, the service of resource supply with management functions, or white-collar services (Underhill & Quinlan, 2011), is known as outsourcing. The intention of this question is to assess the differences between outsourcing and staffing and also where they overlap. A further aim was to find the appropriate concept intended to study business models of staffing.

2. How is each business model organised in the various elements of the value chain?

    To understand companies and their business models, it is first necessary to understand their strategic orientation and analyse how they organise their activities. Both types of business models have a distinct organisational structure and orientation, taking into consideration the range of services they offer, as a way to better adapt and respond to their external environment.

3. What is the innovation strategy of the service portfolio of both types of companies?

    This question aims to obtain answers regarding how companies are continually innovating their service portfolio in a market that is perceived as highly competitive. To do so, it is necessary to analyse what strategies, procedures, methodologies and mechanisms are implemented by companies in order to transmit to the world their knowledge on current issues and, more importantly, to discover or define future trends in the industries.

4. What are the concrete strategies to enhance the relationship with customers, create opportunities and close deals?

    In the service industry, it is easier to achieve these objectives due to the relationship with the clients. The purpose of this question is to evaluate the origin of new opportunities and the inherent strategies to secure business and gain new clients. Moreover, this question assesses how the buyer-supplier relationship is characterised over time, which, according to the literature, is a critical issue.

5. What are the concrete strategies to attract, evolve and retain people and talents?

   In both types of business models, it is the employees who really provide the service. It is relevant to assess the concern and investment of companies regarding the attraction, evolution and retention of their employees through the policies and procedures used for this purpose.

6. What is the most financially profitable business model?

   Regardless of the type of internal configuration, type of strategy, number of employees, number of customers and other factors that may characterise a company, it is the financial data that supports the viability and the business model. It is therefore important to analyse and compare relevant financial data between the two types of companies.

7. How is the future seen, what are the main threats to the business model of both type of companies, and what strategies are used to address them?

   Based on the premise that there are no perfect business models, and that there is always room for improvement, the answer to this question is to assess whether companies are aware of the weaknesses and threats of their business model and whether they plan and respond to them with effective solutions.

8. What are the sustainable competitive advantages from both type of business models?

   All research was directed to the study of the business model of staffing and management consulting companies. This question aims to evaluate accurately how, and if, companies achieve sustainable competitive advantage, that is, what differentiates their business models.

3.2 Research strategy

This chapter will not be an objective presentation and proof of knowledge of the theory of research methods; fortunately, this area has been covered in several compendiums dedicated to the subject. The aim is thus much more than to detail a true epistemological reflection. It is to provide a explicit orientation that underpinned the research.

Research methodology is a discipline derived from logic, whose objective is the study of the scientific method, whereby researchers try to understand natural and social phenomena using a structured research process (Gauch, 2015; McNiff, 2013).

The research philosophy adopted by any researcher contains essential assumptions about the way they see the world, and this will support the research strategy and methods. Saunders (2019) distinguishes three major ways of thinking about how research philosophy influences research: epistemology, ontology and axiology. For Mason (2017), ontology refers to the view of how each individual observes and perceives the nature and essence of things in the social world. Another element, epistemology, refers to what constitutes acceptable knowledge in a field of study (Mason, 2017; Saunders *et al.*, 2019). The philosophical posture of the natural researcher reflects the principles of positivism, which seek to explain how people operate within their societies, while the philosophy of interpretivism seeks to understand why people and societies act in a certain way.

According to positivists, a theory can only be said to be correct if it has been proven by valid scientific methods. Positivists do not consider knowledge linked to beliefs, superstition, or any other that cannot be scientifically proven (Saunders *et al.*, 2019; Yin, 2017). Axiology is related to the connection of the study to personal values; these play an important role in such a way that research results are credible (Saunders *et al.*, 2019). According to Yin (2017) in an inductive approach, there is a higher propensity to work with qualitative data and use a variety of methods to collect this data in order to establish different viewpoints of the phenomena. This approach also helps to understand why something is happening, since it allows for a more thorough examination of other variables that are not contained in the literature, or that are already widely accepted notions.

Figure 8 Research 'onion' philosophies and approaches
Source: (Saunders *et al*., 2019)
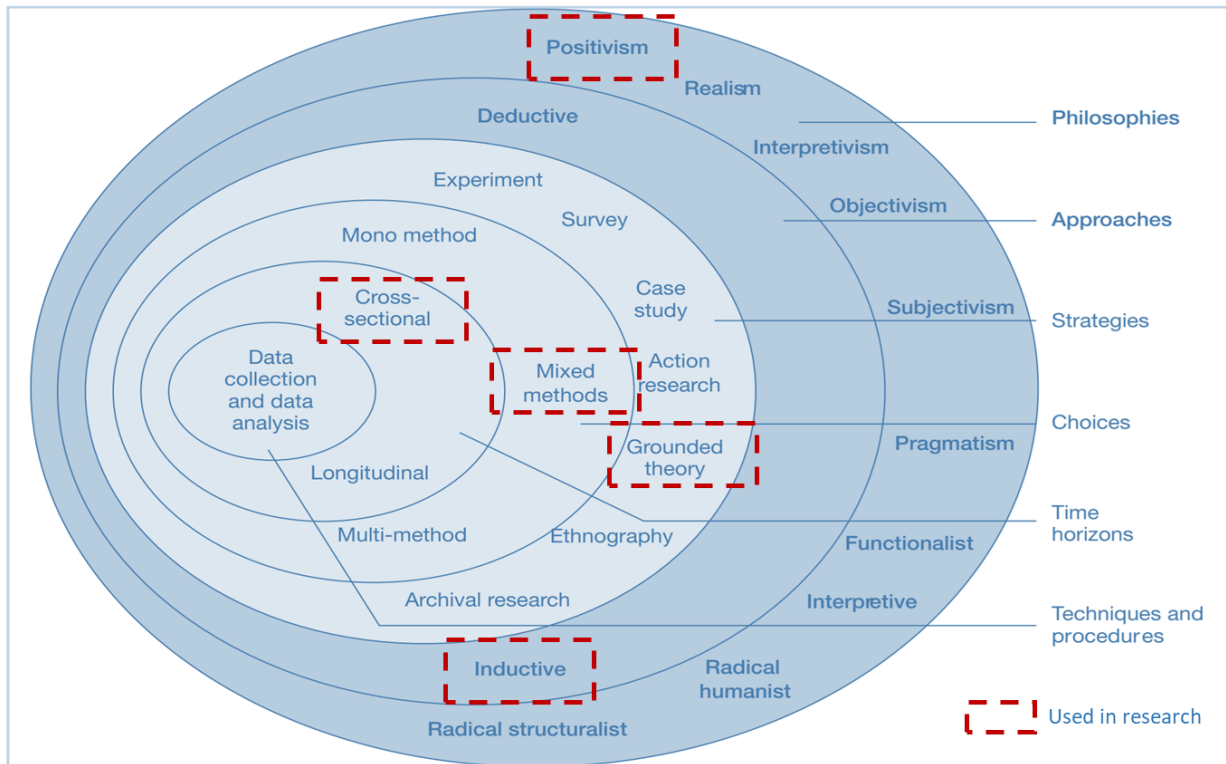
Considering the objectives of this thesis project, it is concluded that the proposed research reflects an ontological and epistemological position of the researcher, who intends to act and improve his habitat and professional context. In this case, there is an ontological position that characterises institutions, companies or structures, rather than just individuals as significant members of the business world.

The epistemological reflection suggests distinctive dimensions of the business world, segmented by business model (e.g. relations with customers, treatment of employees, operating model, among others). The basis of ontology and epistemology are oriented towards an essentially positivist paradigm, defining research issues and seeking to generate verifiable scientific knowledge that can be confirmed by others.

The Figure 8 presents the research 'onion' with research philosophies and approaches used in this research. Regarding axiology, high relevance was given to data collected via interviews, which shows that personal interaction with interviewees is valued more than their anonymous opinions, expressed through a questionnaire (Saunders *et al.*, 2019). The interview approach also reflects the use of the inductive method, and it was concluded that it is more realistic to treat organisations, through their executives, as human beings whose present behaviour is a

consequence of the way they perceive their work experience, rather than as if they were research objects that respond mechanistically to particular circumstances. From this perspective, as mentioned by Huberman and Miles (2002) (Saunders *et al.*, 2019), the use of interviews and qualitative analysis, associated with the positivist paradigm is recommended to identify relationships that might not be evident to the researcher or be affected by their personal perception.

3.3 Research design

As the topic in question is related to business models that are dependent on the behaviour of key stakeholders, for example, employees, executives and customers, a Grounded Theory strategy was used to explore a wide range of issues arising from the literature review. In this sense, the analysis of interviews started without the formation of an initial theoretical framework, and the theory was only developed after the interviews were conducted.

Grounded Theory, developed by the sociologists Barney Glaser and Anselm Strauss (Corbin & Strauss, 2014) is often considered to be the best example of the inductive approach, whereby the researcher analyses the data in order to understand the phenomenon in question (Saunders *et al.*, 2019). Grounded Theory is, according to Goulding (2002) (Saunders *et al.*, 2019), particularly useful for research to predict and explain behaviour. To try to understand events in their specific context, qualitative approaches (also known as hermeneutic, interpretive or reconstructive) are appropriate to this work (Flick, 2018). According to Mason (2017), through qualitative research, it is possible to explore a wide range of dimensions of the social world, including the daily lives, perspectives, experiences and ideas of the research participants. Moreover, qualitative research is capable of producing very well-founded contextual generalities, rather than aspiring to more fragile versions.

This research has not been restricted to qualitative analysis. Mixed methods were used, given the application of quantitative and qualitative techniques of data collection and analysis, although these were not used in combination (Saunders *et al.*, 2019). The analysis of the business models was first performed by interview, and then secondary sources of financial data were analysed in a quantitative manner. In the end, the validation of the transformation plan resulted from a quantitative collection and analysis using a questionnaire created for this purpose. In Figure 9 is mirrored the research framework followed in this thesis.

Figure 9 Research framework followed in this thesis
Author's elaboration
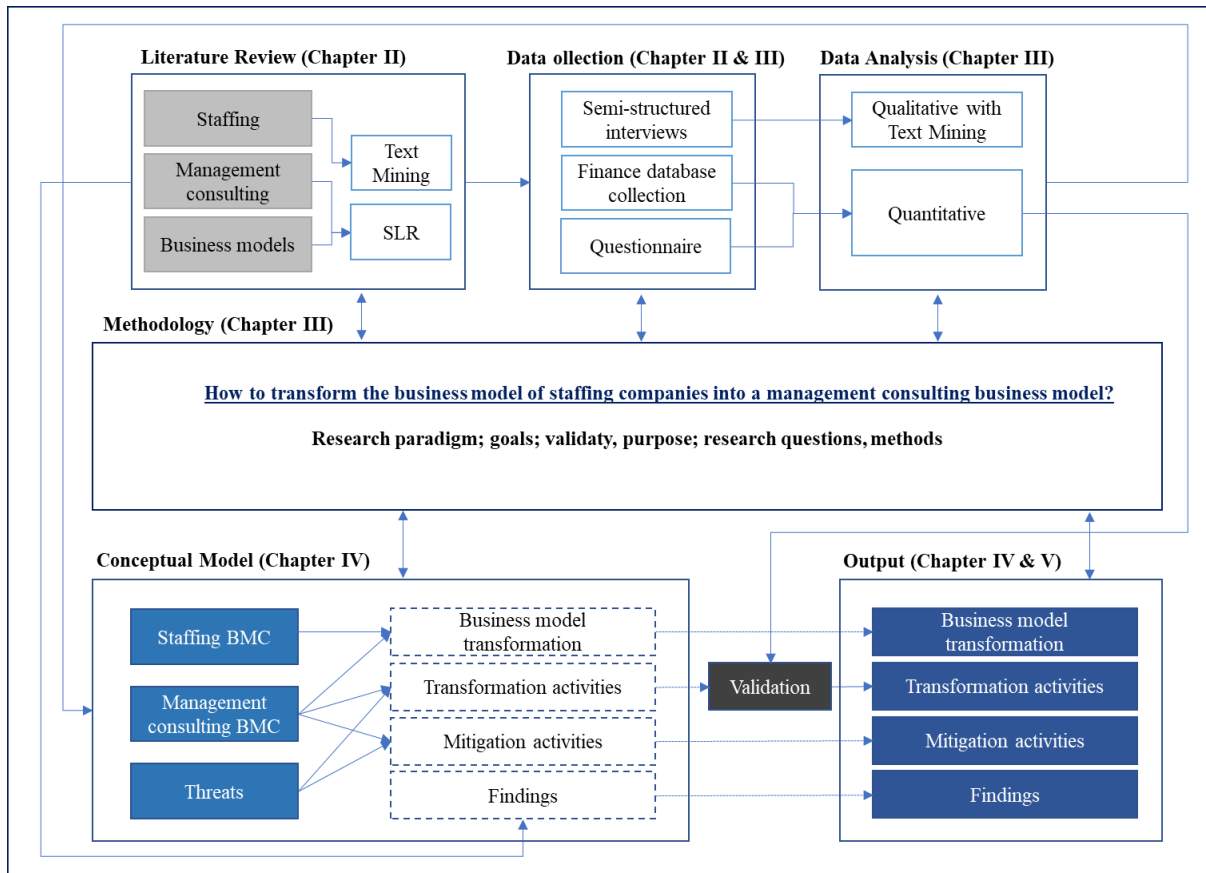
With regard to ethical practices, and to respect the privacy of the participants, all primary data was anonymised. Most of the participants in the interviews indicated that they would not, and could not represent the company, and would participate in the study on an individual and informal basis, which is why the name of the companies is not disclosed. It was also ensured that the person responsible for the interviews, in this case, the researcher, would not interview participants with direct relation (professional competitors and acquainted or friends) to the same; these interviews were carried out by other people prepared for the purpose.

Finally, it is essential to highlight and detail the attention given to the basic premises of the credibility, reliability and validity of this investigation. As far as reliability is concerned, and as suggested by Saunders *et al.* (2019), this research was planned, and over time evaluated so that the measures used would produce the same results on other occasions. Given the time limitations of the research, as well as the substantial volatility of this type of industry over the last 20 years (ASA, 2019), the whole study was approached from an instantaneous, i.e., cross-sectional time horizon perspective. In this sense, no historical question was selected or asked in the interviews. It is possible that the same research, dependent on data collection if it was

carried out some years before or after, could present different results contaminated by social and economic factors. Credibility can also be measured by the normalisation of results and the transparency of the process, i.e. different observers would arrive at similar results if they were to replicate the recorded process. This concern was assumed from the beginning of the investigation and is reflected in a literature review carried out by a systematic and standardised method through text mining, structured and robustly programmed scripts and questionnaires, sample selection process, and results from analysis, also systematised. An exception has to be made for interviewers and questionnaire participants who were selected or alerted to participation through a network of contacts on the LinkedIn[4] platform that is difficult to replicate.

Regarding the validity of the research, reflected in the real meaning of the results obtained, the possibility of generalising the data in other research environments was also planned and frequently evaluated. In this sense, and as a strategy, the companies selected and the questions asked were thought of in an industry agnostic way, and it is expected that the transformation plan will be able to be used by staffing companies regardless of the type of industry or sector. This means that a staffing company that specialises in providing human resources services by allocating employees who are also specialists in this area, will be able to reflect and use the business model transformation plan as would a similar staffing company, but instead specialised in technology services. Regarding a possible polarisation of the data collected in primary sources, a strategy was organised not to directly or indirectly ask the participants if they liked the company or not. Furthermore, evidence or documentation was not requested to prove the information received. As previously mentioned, all interpretation of the data collected from primary sources was analysed using advanced text mining tools, thus avoiding the shaping of the conclusions with the crossing of theories.

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[4] www.linkedin.com

3.4 Data collection

The whole process of data collection in this investigation has always had as a basic premise to try to explain phenomena, i.e., to analyse relationships, to compare events in different research environments, to predict results and to generalise. In this sense, all the data collected, including literature reviews, happened according to techniques and methods defined in advance.

For staffing business model literature review was used the mining text technique and for the management consulting and business models, in order to enhance a rigorous, impartial and comprehensive literature review, an SLR process was followed.

3.4.1 Text mining technique

Before discussing the definition of text mining, it is necessary to understand the purpose of its presence in this work. Any scholarly work of yesterday, today, and probably tomorrow will depend on the evolution of knowledge, which is mostly embodied in the scientific literature. No wonder statistics from the SCImago Journal and Country Rank[5] show that the number of articles has grown strikingly over the past 12 years and in Asia there is a current average "production" of about one million articles per year.

In contrast to the ad hoc or conventional literature review process, many directions point to the concept of systematic literature review (SLR), a recognised research method used to integrate the best available empirical data from systematic research (Feng *et al.*, 2018). SLR uses a sequenced approach to aggregate, evaluate, and interpret specific research questions while allowing reviewers to determine current effects and phenomena in areas where studies are difficult to control or replicate (Feng *et al.*, 2018). Even using the SLR method that normalises review, it is virtually impossible at the human level to be able to read and track the amount and speed of knowledge growth. There is, therefore, a need for automated and effective processing that enables scientists to evaluate, synthesise and group scientific evidence in order to help consolidate and answer research questions. This is where the need and context of text mining arise explicitly in this paper, but it is useful in any scientific work. Text mining is characterised as being the extraction of relevant information from a set of documents and the providing of methods of classification, grouping, text compression, and topic identification (Allahyari *et al.*, 2017; Debortoli *et al.*, 2016; Kumar & Ravi, 2016; Sohrabi *et al.*, 2018; Youn *et al.*, 2009).

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[5] https://www.scimagojr.com/worldreport.php

3.4.1.1 Definition

According to some authors, the concept of text mining was started in the 1960s (Kumar & Ravi, 2016). However, the idea began to become popular only in the 1990s when machine learning algorithms were introduced that ensured word preprocessing and knowledge extraction, dramatically reducing human intervention and the amount of time required to process text (Abrahams *et al.*, 2015; Kumar & Ravi, 2016). Due to the growing amount of data and the need to organise it, text mining has gained prominence in recent years and is now recognised as an essential area of knowledge discovery in unstructured data. Widely used in knowledge-oriented organisations, text mining aims to transform data extracted from texts to address knowledge capable of solving real-world problems (Abrahams *et al.*, 2015; Khadjeh Nassirtoussi *et al.*, 2014; Kumar & Ravi, 2016; Nave *et al.*, 2018). The success of the technique is mostly due to the possibility of automatically extracting previously unknown and potentially useful implicit knowledge from large amounts of scalable and repeatable unstructured textual data (Debortoli *et al.*, 2016). Text mining employs a variety of text processing methodologies, of which natural language processing (NPL) is one of the best known; the steps are mainly about data analysis and take into account interactive, iterative, cognitive and exploratory processes. In the context of this study, text mining offers an interesting and complementary strategy for research; Müller (2016) reinforces that this automation, besides allowing researchers to overcome manual limitations, allows the generation of insights that otherwise could not be found.

3.4.1.2 Text mining steps

In general, the text mining framework can be divided into preprocessing, text mining operations and post-processing. The common goal of these transformations is to remove noise and gradually transform qualitative textual data into a numerical representation capable of being statistically analysed (Abbas *et al.*, 2014; Allahyari *et al.*, 2017; Kumar & Ravi, 2016).

Müller (2016) clarifies that there is no easy recipe for selecting the appropriate combination of natural language preprocessing steps, but these are paramount and time-consuming (Allahyari *et al.*, 2017; Debortoli *et al.*, 2016). Phase 1, preprocessing, is broken into a series of steps to ensure collection, cleaning and transformation from data. In the first stage, a high level exploratory data analysis should be performed in order to identify possible problems in making a first validation of the data quality; the more documents and text, usually the more complex the analysis will be (see e.g., Allahyari *et al.*, 2017; Debortoli *et al.*, 2016; O'Mara-Eves *et al.*, 2015). The cleaning sub-step typically aggregates tokenisation, filtering, lemmatisation and

stemming tasks. Tokenisation aims to split documents into phrases and, in turn, sentences into words called tokens, while at the same time excluding certain characters such as punctuation marks and extra blanks. After tokenisation, it is necessary to filter or remove some of the words that may not make sense. This concept is also used in this work and known as stop-words. The lemmatisation step is also usual, a task that considers the morphological analysis of words, i.e. reducing a word in its dictionary form, e.g. plural to singular for nouns, verbs to simple present tense. Finally, the stemming technique, referred by many authors, to obtain the root of derived words. For more details on preprocessing techniques see Allahyari *et al.* (2017), Feng *et al.* (2018), Nassirtoussi *et al.* (2014), Kumar and Ravi (2016), O'Mara-Eves (2015), Loureiro *et al.* (2019), Müller (2016), Sohrabi *et al.* (2018), Sunikka and Bragge (2012).

After cleaning, documents need to be transformed into structured data that is suitable for analytical models, yet, as noted earlier, most statistical and machine learning analyses focus on numerical data, so they are not appropriate for textual documents (Youn *et al.*, 2009). There are currently several ways of converting textual data, typically through a bag of words (BOW), which considers the number of occurrences of each sentence or word, despite ignoring the order. This structure allows for a vector representation that can be analysed with scaling and statistical algorithms (Allahyari *et al.*, 2017; Debortoli *et al.*, 2016; Youn *et al.*, 2009). If a semantic analysis between words is required, the n-gram representation method may be used, where the objective is to represent a sequence of terms in a text based on the value of n, i.e. unigram (n is 1), bigram (n is 2) and trigram (n is 3), (Hagenau *et al.*, 2013; Kumar & Ravi, 2016).

The so-called text mining operations should be initiated after the text is transformed. Steps such as clustering and topic modelling are required before generating the final results. Clustering can be exemplified as document segmentation in a set of partitions similar to each other, and is one of the most popular data mining algorithms, studied extensively in the context of text analysis (Allahyari *et al.*, 2017). In the context of text data, many clustering algorithms can be used. Allahyari (2017) distinguishes several different types, pointing to k-means clustering as one of the partitioning algorithms that is widely used in data mining. The optimal number of clusters discovered can be used in a topic model, such as the Latent Dirichl*et al*location (LDA) generative statistical model, where the observable variables are the terms of each document and the unobservable variables are the topic distributions or collections (Blei, 2012; Blei *et al.,* 2003). Topics estimation can be done through sampling or optimisation approaches, for example, Gibbs sampling and Variational Bayes, respectively (Allahyari *et al.*, 2017).

3.4.2 Analysis of staffing literature

The entire review process has been documented transparently in order to be reproducible. After formulating the research question, in this case a literature review, defining the required characteristics of primary studies, as suggested by Durach *et al.* (2017), the selection of the literature began with the first consultation in multiple content providers (Business Source Complete, ScienceDirect, Academic Search Complete, Scopus®, Directory of Open Access Journals, IEEE Xplore Digital Library, Library, Information Science & Technology Abstracts, SciELO, ERIC, Digital Access to Scholarship at Harvard (DASH), Gale In Context: Science).

The objective of this analysis is to look specifically at the topic of outsourcing business models through the transaction of specialised resources. The search criteria of the subject were chosen with the intention of being able to capture issues related to outsourcing service providers and exclude irrelevant studies. According to an analysis among the researchers, it was also decided to select the most commonly used terms, "vendor" and "provider", that are synonyms used in the intended scope. These are a direct link to "staff", as the transaction product being studied is not just a service, but precisely a specialised workforce transaction or lease. Some of the words have been followed by a wildcard to ensure that possible variations of the term are recovered, as is the example of "staff", which may result, for example in words "staffing" or "outstaffing" (see Figure 10).

Figure 10 Staff outsourcing research query

((TI outsourc* OR TI subcontract* OR TI sub-contract*) AND (SU *staff* OR SU employee OR SU body OR SU vendor OR SU leasing OR SU provider)) OR ((TI *staff* OR TI body OR TI employee) AND (SU vendor OR SU provider OR SU outsource* OR SU subcontract* OR SU sub-contract*))

The results of the consultation were filtered for the last full decade, from 2008 to 2018; only the business and management disciplines were selected, the English language was selected, and peer-reviewed journals were selected, obtaining a total of 260 articles.

A first glance at the dispersion of the articles, according to a systematic literature review of many different journals, shows that while the query was heavily focused on outsourcing and within the intended context, unfocused results were obtained. Many of these only addressed information systems or a specific industry. For example, the articles "Learning Model of Information Technology outsourcing: Normative Implications" and "Modelling strategic semiconductor assembly outsourcing decisions based on empirical settings" have been deleted along with others with the same characteristics. Knowing that the process of obtaining a final

list of primary studies is subject to various biases, such as inclusion criteria bias and selection bias, during the process, two of the researchers independently identified potentially relevant articles.

The analysis went beyond what is stated in the title and the abstract in order to determine its relevance and refine the theoretical framework. Conflicts between investigators were further debated by classifying three categories: reliability, credibility and validity (see e.g., Durach *et al.*, 2017; Higgins *et al.*, 2019; Moher *et al.*, 2009), with results of agreement > 0,8 (Cohen's Kappa coefficient). At the end, after duplication was removed, 186 final articles were selected for further content analysis.

Figure 11 and Figure 12 shows the number of articles published per year and the top 10 of journals with the most items in the sample. It can be observed that every year is represented in terms of publications and 2011 stands out with 23 of the selected articles.

Figure 11 Total of staffing papers by year
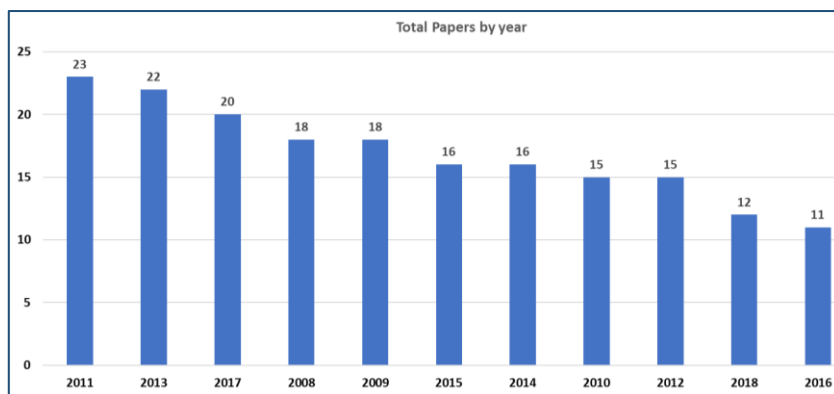
Figure 12 Journals frequency, staffing papers – Top10
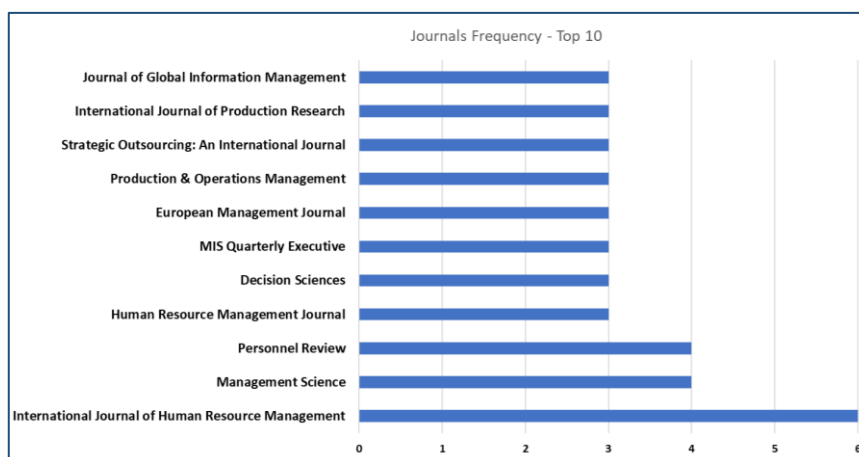
In Figure 13, it is possible to note the systematic research with text mining approach that ends in the interpretation of the topics obtained through the LDA algorithm. All preprocessing and processing work was done with the aid of the Jupyter[6] tool in Python programming language. After converting the articles to an editable format, the corpus was cleaned through tokenisation techniques and stopwords removed. Stopwords listed by NLTK package in Python were used in this study as the source for stopwords removal and words like "outsourcing" and "provider" were added so as to be removed from the text. According to Guerreiro *et al.* (2016), these primary and frequent terms in the text may compromise data cohesion.

Figure 13 Staffing systematic research with text mining approach
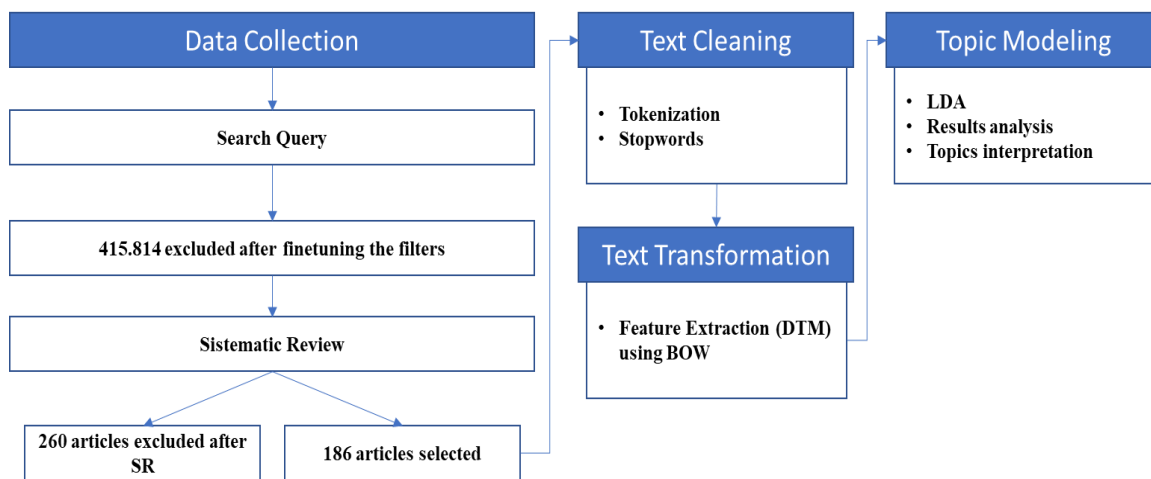
After cleaning the text, the documents were converted to a simple vector representation. Each entry of a document vector will correspond to the number of times a word has occurred in the document (bag-of-words representation). As a validation test of the mapped data, a word cloud image was elaborated on the information under analysis, which helps in a visual representation of the most common words. N-grams of two and three terms were also selected for the study. The results showed some non-fitting words such as parts of publications titles that were removed through the stopwords list in a set of iterations until the images represented in Figure 14 and Figure 15 were obtained.

Figure 14 Staffing word cloud representation for all docs

Figure 15 Staffing word frequency distribution for all docs

```
#Word Frequency Distribution
from nltk.probability import FreqDist

fdist = FreqDist(all_doc_data_cleaned_stop_words)
print(f'100 Most common words are {fdist.most_common(100)}')

100 Most common words are [('work', 3226), ('workers', 3182), ('temporary', 2509), ('agency', 2035), ('service', 1766), ('employment', 1595), ('services', 1571)
18), ('knowledge', 1239), ('firm', 1224), ('employees', 1205), ('client', 1203), ('time', 1143), ('data', 1120), ('contract', 1116), ('cost', 1112), ('market', 1
ionship', 1042), ('skills', 1027), ('new', 1018), ('industry', 976), ('use', 975), ('performance', 963), ('activities', 950), ('model', 936), ('costs', 911), ('
09), ('process', 908), ('analysis', 903), ('risk', 855), ('quality', 835), ('supplier', 833), ('job', 795), ('control', 781), ('strategic', 765), ('Table', 748)
g', 740), ('companies', 737), ('success', 731), ('value', 729), ('relationships', 722), ('results', 719), ('development', 704), ('number', 701), ('studies', 693
t', 690), ('sourcing', 684), ('could', 672), ('However', 659), ('case', 659), ('would', 659), ('organization', 646), ('risks', 642), ('need', 641), ('high', 636
609), ('systems', 600), ('company', 600), ('satisfaction', 600), ('manufacturing', 597), ('International', 589), ('important', 588), ('sector', 588), ('factors'
her', 586), ('firms', 585), ('technology', 585), ('firm', 583), ('ITO', 583), ('agencies', 583), ('example', 581), ('effect', 579), ('production', 579), ('organ
75), ('project', 573), ('power', 562), ('suppliers', 559), ('resources', 551), ('processes', 536), ('within', 536), ('labour', 535), ('organizations', 524), ('l
('countries', 518), ('well', 518), ('impact', 512), ('using', 512), ('social', 508), ('design', 498), ('permanent', 498), ('labor', 494), ('working', 494), ('gr
('outsourced', 491), ('related', 489), ('variables', 488), ('environment', 484), ('lead', 483), ('European', 481), ('see', 473)]
```

To group the latent topics discussed in the literature according to word co-occurrence, the LDA model was used via the Gibbs sampling method (Cao *et al.*, 2009). The LDA model was chosen over other possible algorithms for two reasons: the existence of libraries in the Python language and the ability to extract semantically meaningful topics from texts and their categorisation as validated in empirical studies (Lau *et al.*, 2014). Although the LDA model is widely used, selecting the optimum number of topics for a corpus that was purchased through the literature is very challenging as there is no single automatic method for determining the exact amount of topics for a document collection (Griffiths & Steyvers, 2004). To analyse the optimal number of topics based on cluster quality, we considered the Silhouette Score and Calinski-Harabaz Score (Baarsch & Celebi, 2012), according to Figure 16.

Figure 16 Staffing Silhouette score and Calinski-Harabaz score graph

According to K-means analysis, six topics were selected. Selecting less than six topics would reduce the variability explained sharply, just as one more K could add little to the explained variability. The topics found are visible in Figure 17.

Figure 17 Relevant topics for staff outsourcing

```python
# Important words for topics
def selected_topics(model, vectorizer, top_n=10):
    for idx, topic in enumerate(model.components_):
        print("Topic %d:" % (idx))
        print([(vectorizer.get_feature_names()[i], topic[i])
                        for i in topic.argsort()[:-top_n-1:-1]])

selected_topics(lda, vectorizer)
```

```
Topic 0:
[('satisfaction', 753.8563556770229), ('value', 723.3226958811437), ('help', 631.3517178278039), (' injury', 524.746897816093), ('sourcing',
484.5661908364137), ('pp', 458.4886553459037), ('decision', 400.9526395039714), ('contract', 392.75587664291095), ('activities',
385.22381915724714), ('occupational', 360.2484682760949)]
Topic 1:
[(' insecurity', 925.7867299346135), (' safety', 651.7811183727239), ('firms', 538.9883979238346), (' social', 431.72629001498495), ('public',
406.6656778961028), ('activities', 355.2099653245253), ('human', 344.39349515350443), ('resource', 325.12284852660673), ('sector',
315.8452519938692), ('service', 270.3588732630474)]
Topic 2:
[('service', 1385.164948749453), ('cost', 708.2580999296727), ('quality', 556.71269939903), ('strategic', 464.93207679357783), ('provider',
344.81427012986137), ('power', 318.20071334438546), ('bpo', 289.542950804287), ('time', 284.4491203110051), ('supply', 272.2468298736331),
('customer', 260.16561324706186)]
Topic 3:
[('knowledge', 1012.9621539789699), ('value', 957.0226877417936), ('client', 748.6456659589251), ('supplier', 729.319554729616), ('performance',
581.3007894009323), ('control', 548.5646156942832), ('project', 527.006591702705), ('market', 495.67077677480404), ('contract',
468.79611699135637), ('relationships', 432.3192802954604)]
Topic 4:
[('workers', 3040.646840662957), ('work', 2959.2694161974264), ('temporary', 2918.6688333629704), ('agency', 2212.2336484910884), ('employment',
1826.3810059347284), (' triangular', 807.1407498950995), ('employees', 717.3338096089648), ('taw', 656.691260445186), ('tae',
440.83732667643187), ('value', 434.39788466947965)]
Topic 5:
[('skills', 960.1770551658926), ('industry', 554.156482441697), ('companies', 479.8013058460139), (' relational', 444.7889751868773), ('global',
359.8543750630597), ('market', 346.6433570099034), (' transaction', 344.70844268787306), ('work', 292.98052024189667), ('time',
291.52752939425847), ('workers', 279.8510979877674)]
```

shows intertopic distance map graph for six topics, via multidimensional scaling, and the distribution of the marginal topic with other topics. The bars represent the frequency of a term throughout the corpus.

Figure 18 Intertopic distance map for six topics
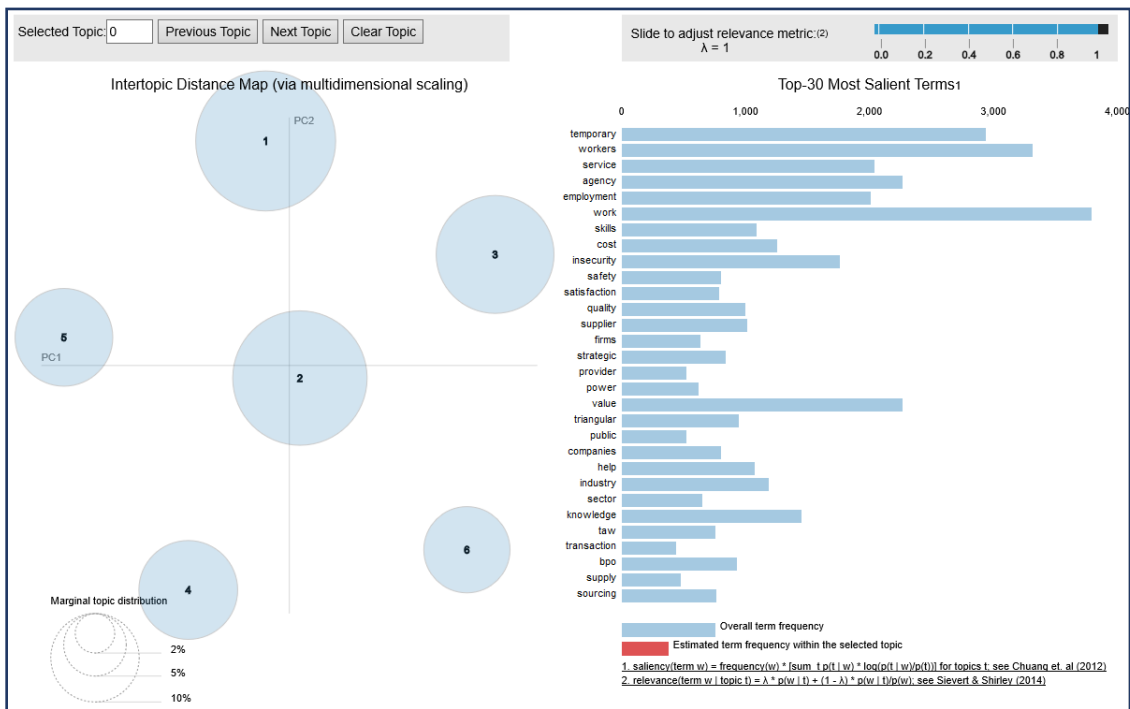
After global analysis and topic generation through the LDA model, articles were analysed and information collected in order to summarise the critical points per topic described in the literature in the last decade as well as to understand if the trend suggested by the topic characterisation is aligned with the publications. After reviewing the selected topics, two of the researchers independently identified potentially relevant articles, analysing their full content. All the researchers' choices resulted in the selection of a total of 76 publications from a sample of 186. Just for the sake of organisation and ease of reading, the following topics are not ordered numerically. Otherwise, for example, the definition of Staff Outsourcing would only appear and be detailed in fifth place. All the results can be found on literature review chapter.

3.4.3 Interviews

3.4.3.1 Aproach

An interview is a face-to-face discussion between two or more people (Coe, 2012). As this is a primarily exploratory and qualitative study regarding the knowledge of business models, it was decided to use semi-structured interviews as a data collection tool (Cooper & Schindler, 2014).

One option would be to use a questionnaire, but some executives contacted informally revealed that they preferred an interview due to unwillingness or difficulty in "writing" and focusing. It was also confirmed by all participants that the need for focus, and the lack of willingness to write, made this the best approach. The choice is further reinforced, according to Easterby-Smith *et al.* (2015) and Saunders (2019), by the opportunity to observe and listen to the interviewees explaining and building their answers. Although this study does not fit an interpretivist epistemology, interviewees can use words or ideas in a specific way and without prejudice, and the opportunity to probe these meanings will add meaning and depth to the data obtained.

Besides all the advantages, the difficulties of this approach were also analysed and reflected upon; the lack of normalisation in these types of interviews can lead to concerns of reliability, i.e., similarity and normalisation of results with regard to other possible investigations, as well as questions related to the bias, for example, of the interviewer (Easterby-Smith *et al.*, 2015). In this sense, the researcher attempted to ensure thoroughness in the research process, as well as to always take a neutral position, not imposing his beliefs, nor reflecting his opinion and experience, both in the interviews and in their analysis. This point is reinforced with the use of text mining techniques in the analysis of the interviews, this technique, while not guaranteeing total exemption, facilitates normalisation and predictability at the data processing stage (Deterding & Waters, 2018) . In many of the longer answers, and in order to assess the validity of the message and meaning conveyed by the interviewee, the interviewer summarised to the interviewee his understanding of the message received, which was corrected whenever necessary.

According to Saunders (2019), a semi-structured interview can be an intrusive process. This becomes relevant when the objective is to explore events or seek justifications. After the first invitations of this research were sent out to explore and gather information from the staffing business models, the first responses indicated a restriction; the interviewees could not be considered representatives of the company without authorisation and were only available to contribute immediately with their history and experience in the area, a constraint that was accepted and addressed in the same way in the following invitations. Also, due to initial requests, all interviewees were guaranteed that confidential data would not be released. Furthermore, with regard to the anonymity of the responses, no names are included in the official documents of this investigation, and the storage of contextual data has been appropriately separated from the transcripts of the interview, which can only be linked through

a numerical key created for this purpose. Under this assumption, all participants were asked for permission for an audio recording of their interviews to be made, which was accepted in about 90% of cases.

The choice of audio recording was made consciously, after considering the advantages and disadvantages of this method. However, although audio recordings can capture tone of voice and hesitation, it is not possible to record facial expressions and other details related to non-verbal communication, and some notes were made in this regard (Saunders *et al.*, 2019).

It is also important to note that some of the interviewees had a direct or competitive professional relationship with the researcher, which is why it was decided to have their interviews conducted by another person, duly framed and prepared for the purpose. This fact, later validated by the audio analysis, did not constitute an issue in the interviews. Despite an open script, all interviewers sought the need to focus the interviewee in the direction of the question by going back to it whenever necessary.

The executives interviewed, who had either direct or indirect involvement in the business model of the staffing and management consulting companies, correspond to a non-probabilistic sample for convenience selected through subjective methods, and that could reasonably be assumed to illustrate the population (Mason, 2017; Saunders *et al*., 2019; Yin, 2017).

The script of the interviews was constructed with the premise of formulating the questions clearly, openly, and with a logical order of questions so that the interviewee could easily understand them, thus encouraging a free response. From the pre-test to the questions, longer questions were simplified, in this case divided into two or more questions, with adjustment or subtraction of theoretical concepts and jargon, since their understanding can vary according to the interlocutor (Easterby-Smith *et al*., 2015; Yin, 2017).

The script for both interviews sometimes also included survey questions, in this case, used to explore answers with a particular focus or direction that were important to the research topic. For example, the question was included: *"How do you see the future of the consulting business in the coming years?"* The order of questions varied in about 20% of the interviews due to the flow of the conversation, and in some cases, additional questions were asked in order to explore more fully a particular question.

Some invitations have been sent to the executives that companies identify on their website. The linkedin platform was also used for the contact and a brief presentation of the theme was sent. Some respondents suggested other colleagues and passed or brokered the contact, and this was

a valuable channel in obtaining more respondents. All the interviews took place in the location proposed by the interviewee so as to facilitate the process, and in general, all the interviewees were generous in the time they gave to answering the questions.

Only three interviewees, out of a total of 62 interviews, requested early submission of the interview script. Apart from the script, no other information from the company itself, or from outside was passed on to the interviewees, nor was any of the organisational documentation or proof of facts of the information made available verbally requested. After transcription of the interviews, none of them was sent to the interviewees for correction. This, according to Saunders (2019), may be useful to ensure factual accuracy, although interviewees often want to correct their own grammar and use of language, and this could alter some important content.

3.4.3.2 Handling information

Saunders (2019), emphasises that the application of grounded theory must be structured, systematic and follow defined procedures at each stage of the analysis. When insufficient attention is paid to the nature of the procedures described in grounded theory, it is not possible to produce a sufficiently thorough research report to support the description or theory to be defined. Deterding *et al.* (2018) also address this issue by giving examples of how researchers in the 21st century should proceed as far as qualitative data analysis is concerned. Increasingly, qualitative researchers are being urged to clearly communicate the logical steps in their data analysis, but the conventions for doing so are not yet standardised.

With advances in computer technology, text mining has become an emerging research method in various fields (Lin *et al.*, 2009; Yu *et al.*, 2011)). Some researchers have applied text mining to qualitative research projects and see text mining as a viable qualitative research method and argue that text mining and qualitative research are epistemologically compatible (Yu *et al.*, 2011). The justification originates from the premise that the qualitative attribute of a study is not found in the data collection method, but in the type of data and method with which the data is analysed. (Yu *et al.*, 2011) indicate, in line with other authors, that in terms of exploratory character, text mining is related to content analysis.

As a qualitative analysis technique used to interpret the data reproduced from the interviews, the content analysis was performed using the text mining technique, explained in detail in the literature review chapter, in order to try to connect the data. This choice is partly due to the experience and confidence of the researcher in this technique. Text mining, as a data-driven research tool that allows categories to come from the data, shares the same objective with

certain qualitative methods, such as ground theory and content analysis (Yu *et al.*, 2011). The justification is that both content analysis and text mining employ computer algorithms to count words, but text mining goes further by interpreting the context of words using natural language processing, in this case, through LDA. However, text mining is not necessarily superior to content analysis. Krippendorff (2004) stated that the most basic form of reliability in text analysis is the replication of results from different researchers, different circumstances, and at different points in time.

The audio from the interviews was transcribed and handled with the aid of the Jupyter tool, using the Python programming language. The capabilities of the Python language in numerical analysis are impressive but it can also help in qualitative data analysis (QDA). The data analysis started with the conversion to a text corpus which later underwent "text cleaning", i.e., removing errors and inconsistencies in the data set, as it can improve data quality, as well as the accuracy and effectiveness of text mining. Later, and as previously mentioned for literature analysis, a frequency and topic modelling analysis were performed, the latter being a more advanced method to extract information from the text, assessing the proximity of words to each other. The results of text mining were interpreted and will be presented through a word frequency table, a word cloud, terms, trends and a link between activities.

3.4.3.3 Management consulting companies

According to the literature review, it was possible to observe how vast the management consulting area is, present in practically all industries and functional areas of organisations. In order to bring added value to the current research, it was decided not to divide the sample by type of industry or functional area.

As a starting point, the AMADEUS[7] platform was used to search for companies, this platform contains company data for both Western and Eastern Europe, with a focus on private company financials in a standard format which makes possible the comparison of companies across borders. It is possible to use this platform to research individual companies and companies with specific profiles and analysis. The data was collected in March 2015 and relate to financial results for 2014. According to Figure 20, it can be seen that the data extracted from the platform was based on: the status, region, NACE, and the 2014 top 100 operating revenue (Turnover) in

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[7] https://www.bvdinfo.com/en-gb/our-products/data/international/amadeus

EUR. As status was an attribute sought in this study, all companies active in Portugal and registered with NACE, shown in Figure 20, there are three possibilities, "6202. Computer consultancy activities"; "692. Accounting, bookkeeping and auditing activities; tax consultancy"; "7022. Business and other management consultancy activities". NACE can serve as a division or subgroup within the management consulting area, NACE 7022 can be compared and associated to Strategy Consulting companies, a group known by many as strategic consulting specialists due to their intense experience in the sector (R. Lopes da Costa & António, 2014; Pereira *et al.*, 2018), and which is composed of companies such as McKinsey, Bain & Company and Boston Consulting Group. Srinivasan (2014) named the same companies the "big three"; strategic consulting companies with tailormade services that dominate the global consulting industry.

NACE 692 represents companies that started their business in the auditing field and only later incorporated consulting services into their portfolio. This group, called "The Big-Four", includes Delloite&Touche, Ernest & Young, KPMG and PriceWaterhouseCoopers (PWC) (Srinivasan, 2014).

The third and final group, NACE 6202, covers companies whose range of services is associated with technology related consultancy services, but where there is also management work for technology areas, for example how to make clients' technology areas more efficient and profitable. Companies such as Accenture, Capgemini, CGI, Everis, ROFF, HP and the Portuguese Novabase are part of this group.

In Figure 19 it is possible to see the fourteen management consulting companies with participants in the interviews.

Figure 19 Management consulting with participants in the interviews

Figure 20 Search query for management consulting companies

The results regarding management consulting presented several inconsistencies, presenting private companies that provide management consulting services for their own group, for example, Luz Saude, S.A., one of the largest Portuguese business groups in the area of health care provision. To address this issue, and after several failed attempts, a "Trade Description" filter with the key phrase in Portuguese "consultoria de gestão" was created in order to ensure a better fit with the research conducted. Despite this effort, some companies previously named as belonging to "The Big-Four" group did not appear in the results and were manually added to the list, as well as the withdrawal of others after evaluation between the researcher and his tutor. In this case, the selection of the sample was influenced or sentenced in such a way so as to achieve a kind of "representative" sample (Wolf, 2007).

From the list of results, companies in the geographical region of Lisbon were selected, since face-to-face interviews were the tool chosen to collect data, as already described in the previous section. The companies were indirectly represented by executive directors, senior managers and managers.

The interviews took place in the period from July 2015 to December 2016. In total, and considering that the intermediation of some interviewees is not possible to account for correctly, 251 invitations were sent to a homogeneous number of executives from each company and group of companies. As a result, 36 interviews were conducted with a response rate of 33% and a completion rate based on the number of responses of 43%. For the companies represented in the research, it was not possible to include elements from Rolland Berger and Bain & Company for the strategic group and IBM for the technology group. The interviews were estimated at 60 minutes, which responded to the reality of the average time needed. All interviews were conducted in Portuguese. The interview script was composed of 18 open-ended questions, designed to answer the research questions, and was organised into 5 main sections, the structure and context of the company; clients; consultants, projects, and the future of this type of service. The interview script can be found attached in appendix A.

The pre-test analysis of this investigation took place with one employee from MConsulting.C8 and two employees from MConsulting.C13. In this experiment, the relevance of all questions could be confirmed. The time was also checked and no particular restrictions were found. The only aspect that lacked evolution was the sequence of two questions that were slightly adjusted. Since there was no need to change the script, the results of the pre-test interviews were considered in the results sample.

3.4.3.4 Staffing companies

In order to analyse the different business models within the staffing industry, the target of this research represents executives from staffing companies operating in Portugal.

The staffing companies were selected in August 2017 through the AMADEUS7 platform already described above. As can be seen in Figure 22 the extracted data had as base filters: status, region, NACE and the 2016 top 100 operating revenue (Turnover) in EUR. For status, all active companies were searched, and the country Portugal was selected. Regarding NACE, there are two possibilities, "7810. Activities of employment placement agencies" which refers to the typical staffing context and the NACE "7820. Temporary employment agency activities"

which refers to temporary employment agencies. However, as mentioned in the literature review, the two concepts are not easy to disaggregate (Arsdale, 2013; Hakansson et al., 2013; Hopp et al., 2016; Imhof & Andresen, 2018; Lopes & Chambel, 2014) and both were used for analysis.

The staffing results were consistent regarding the filters and the resulting list of companies. In this case, the sample selection was not influenced or phrased in such a way to achieve a kind of "representative" sample (Wolf, 2007). In Figure 21 it is possible to see the fourteen management consulting companies with participants in the interviews.

Figure 21 Staffing companies with participants in the interviews

Figure 22 Search strategy for staffing companies

The interview preparation process for staffing companies was similar to that reported in the previous section for management consulting companies. Also, all selected companies were

restricted to the geographical region of Lisbon, and the companies were represented by executive directors, senior managers and managers.

The interviews took place from January to September 2018. In total, and considering that the intermediation of some interviewees is not possible to accurately account for, 98 invitations were sent to a homogeneous number of executives from each company and group of companies, as a way of balancing the resulting research. As a result, ninety-eight invitations were sent to a homogeneous number of executives from each company and group of companies. This resulted in 26 interviews with a response rate of 43% and a completion rate of 62% based on the number of responses.

The interviews were planned to take 45 minutes. On average, they were of 60 minutes in length. All the interviews occurred in the Portuguese language. The interview script was composed of 15 open-ended questions, designed to answer the research questions, and was organised into five main sections, the structure and context of the company; clients, employees, projects, and the future of this type of service. The questionnaire can be found attached in Appendix B.

The pre-test was done with one participant from company Staff.C1 and another from company Staff.c6. In this experiment, the feedback was collected to add one more question that was not included in the questionnaire; question 2.3 in the questionnaire found in appendix B.

3.4.4 Financial data

The current section describes the approaches followed to assess whether there is a statistically significant difference between the financial results of staffing and management consulting companies. The AMADEUS database, previously mentioned in this work, was also used for this analysis.

The data was collected in May 2019 and referred to the financial results for 2018.

In Figure 23 and Figure 24 it is possible to observe that the data extracted from the database had as base filters: the status, region, NACE and the 2018 top 100 Operating revenue (Turnover) in EUR. Note that for this search, the filter for Portugal was not used as it had been done previously. While the results obtained in the staffing companies filter was consistent, i.e. the companies corresponded to the selected filters, the management consulting results showed several inconsistencies presenting private companies providing management consulting services for their own group, e.g. Geely Sweden AB where the company's line of business includes the

manufacturing or assembling of complete passenger automobiles. Other case was Grifols, that offers a comprehensive portfolio of products and services from the Bioscience, Diagnostic and Hospital areas. This issue served as a trigger for the creation of a "Trade Description" filter with the key phrase "management Consult*" in order to ensure a better fit with the research carried out. There is an awareness of the limitation of this filter as it dramatically increases the probability that the companies presented will perform management consulting services. However, on the other hand, it is not possible to guarantee that companies that have not registered this description will not perform this service, something that could bias the sample. In this case, in the search for management consulting companies, the selection of the sample was influenced or decided on in search of a kind of "representative" sample (Wolf, 2007).

Figure 23 Search strategy for staffing companies financial data

Figure 24 Search strategy for management consulting companies financial data

3.4.5 Validation model

Given the exploratory nature of this research, as mentioned above, the use of a questionnaire was not an option at that stage. The importance of reaching a particular executive as a participant, the importance of the respondents' responses not being contaminated or distorted, the sample

size required taking into account the likely response rate, as well as the types and number of questions needed for data collection, were critical decision support factors for not using questionnaires at that moment. However, after processing data collected from primary and secondary sources, resulting in a conceptual strategic plan which addressed the research question. The objective was to obtain, using a questionnaire, a degree of validation of research question in order to increase the degree of confidence and make the output of this work more robust in scientific terms.

The use of questionnaires is addressed in many research method manuals and is a technique widely used for data collection (Saunders *et al*., 2019; Yin, 2017). Saunders (2019) warns that it is challenging to produce a good questionnaire from conception to probability of response and still ensure that questions are interpreted in the same way by all respondents. All this in a single opportunity. In this sense, the questionnaire, the inherent ideas, as well as its validity, were previously discussed openly among the researcher, the tutor and other stakeholders before being put into practice.

The questionnaire was constructed in Portuguese and designed with only one open question, in this case, the first. The use of an open question, *"Please define in a sentence, and according to your experience, the most common meaning of the term "outsourcing" in Portugal"* had as its premise the testing of something referred to in the literature review, but that had not been tested previously; the meaning of "Outsourcing" in Portugal and its overlap with the concept of staffing. Only the executives of companies were asked this question, and there was no primary feedback at this level either from employees of staffing companies, or from customers. Except for the first question, all the others were designed to be closed, or of multiple choice, i.e., the interviewee is instructed to choose a series of alternative answers provided. Given the number of existing threats; eleven, as well as the various response possibilities for each threat, which in the questionnaire represent questions, and also for reasons of space, a matrix configuration was used. This type of configuration allowed the recording of responses to two or more similar actions at the same time for each threat. As can be seen in Figure 25 and in appendix F, threats are listed on the left side of the page, and the answers (action plan) are listed at the top. The appropriate response to each action is then recorded in the stack where the row and column met.

All questions, which in this case take the name of validations, have been formulated according to Likert's scale, since these are indicated for gathering opinion data. Each validation could be performed through four options presented, based on a set of ordered ordinal variables plus a neutral option, which happened consistently in all questions. Even though there was an

awareness that the choice of these type of answers was not easily interpreted statistically, the researcher chose to keep it in order to facilitate comparison and allow the interviewee to answer more easily and without the need for writing. The fact that there are four options decreases the probability (Cohen *et al.*, 2017; Saunders *et al.*, 2019) of the interviewee not choosing the middle option easily. As a limitation to note, no negative statements were used, only positive which may have interfered with the coherence of the questionnaire (Cohen *et al.*, 2017; Saunders *et al.*, 2019).

Figure 25 Printscreen (Portuguese) example of a questionnaire question (threat 2)

Before administering the questionnaire to collect data, a pilot test was conducted over four days with the objective of refining the questionnaire in order to reduce the probability of problems of completion, understanding or response by participants (Cohen *et al.*, 2017; Saunders *et al.*, 2019). The pre-test was requested from a group of ten people, consisting of four staffing specialists, three people responsible for hiring staffing services, and three employees from staff agency. After all questionnaires were completed, the answers were evaluated and all participants were asked about the average time of completion, clarity of instructions, as well as

the ambiguity and complexity of questions. The most relevant feedback addressed the possible complexity of reading the questions in a matrix configuration that could lead to the incompletion of the questionnaire by the participants. This was reconsidered in the search of other alternatives but did not result in change; the questionnaire would otherwise have lengthened from six to fourteen pages. The pre-test presented as a limitation the non-validation of the consistency and reliability of the questionnaire, for example using Cronbach's alpha and re-test technique respectively (Cohen *et al.*, 2017; Saunders *et al.*, 2019).

As a form of invitation, a post was created on the Linkedin platform with the announcement and explanation of the motivation behind it. The target audience were representatives of companies with experience in managing staffing, and/or management consulting services providers, as well as representatives of companies with experience in providing the same services. As a way to appeal for participation in the questionnaire, the researcher made a video presentation where he explains the objectives clearly and concisely. In Figure 26 it is possible to observe a print screen taken from the Linkedin platform with the number of views, reshares, reactions and comments to the post that called for participation. The questionnaire was put online on November 26th, 2019 and closed on December 3rd, 2019. A total of 132 responses were received and, due to lack of minimal experience, only 120 were considered for statistical calculation. According to data from the National Institute of Statistics in Portugal (INE)[8] (Instituto Nacional de Estatística, 2019), there were 1,260,436 companies in 2017, of which 68.0% were individual companies and 32.0% companies, which represents 402.711 companies. Assuming that there is on average one person responsible in each company for managing staffing services, a confidence interval of 8.53% is assumed for a confidence level of 95%.

According to Saunders (2019), a higher than average response rate does not prove that the results are unbiased, just as a lower than average response rate does not necessarily mean that responses are biased.

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[8] www.ine.pt

Figure 26 Questionnaire post statistics on Linkedin
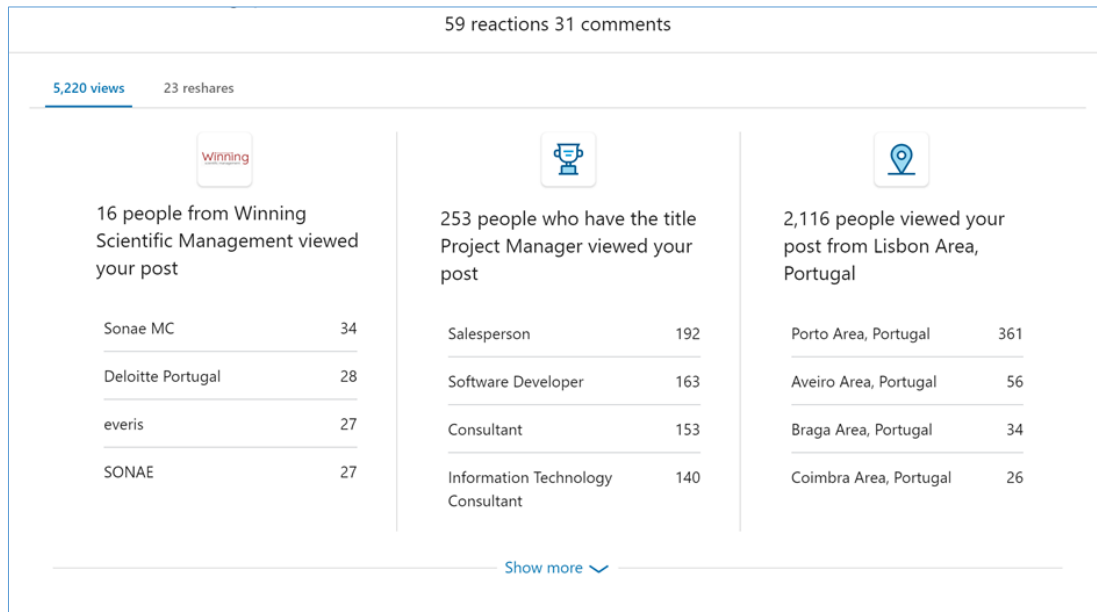
All questions and answers have been properly coded in order to be correctly analysed by the statistical analysis tool SPSS[9].

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[9] https://www.ibm.com/analytics/spss-statistics-software

CHAPTER IV – DATA ANALYSIS

As a means to respond to the designated research questions and to allow for the achievement of the objectives of the study, this chapter aims to present the information gathered from interviews with management consulting companies and staffing companies. In addition to this the financial data collected from the Amadeus database will be presented.

4.1 Management consulting companies

The main objective of the interviews with the management consulting companies was to learn their working method. The analysis of the information is divided into various sections: Respondents and company profile, Company, Human Resources talent, Client Management and Future vision.

4.1.1 Respondents and company profile

As can be seen in Table 1, 36 executive employees belonging to 13 management consulting companies were interviewed.

Table 1 Management consulting companies interviewed
Source: author's elaboration based on the results of the interviews

Company ID	Services provided	Nº of interviews
MConsulting.C1	Strategic Consulting Firms	2
MConsulting.C2	Strategic Consulting Firms	2
MConsulting.C3	Big-Four	7
MConsulting.C4	Big-Four	5
MConsulting.C5	Big-Four	3
MConsulting.C6	Big-Four	4
MConsulting.C7	Technological Firms	2
MConsulting.C8	Technological Firms	1
MConsulting.C9	Technological Firms	2
MConsulting.C10	Technological Firms	2
MConsulting.C11	Technological Firms	2
MConsulting.C12	Technological Firms	2
MConsulting.C13	Technological Firms	2
	Total	**36**

4.1.2 Company

One of the objects of the interviews was to understand the operating model of the management consulting companies, as well as to analyse their business model and sustainable competitiveness strategies. In accordance with the literature revision, the most relevant topics in this material were covered, in this case, material such as R&D, portfolio, performance metrics, projects, knowledge and evaluation systems.

4.1.2.1 Research & development

This part of the interview sought to understand what motivates research practices and production of papers and publications called "insights". Analysing Figure 27 it is possible to confirm that the 5 words most used by those interviewed are "knowledge, company, papers, clients and consultants". These words highlight and align with that mentioned above, namely that the production of knowledge is for the clients and is done internally by consultants and specialised company departments. Despite the word 'paper' being in third place, none of the interviewees made reference to, or mentioned the desire to add knowledge to academia or more theory. When asked about this subject, they replied that these types of publications were never read by clients and therefore would not directly increase business.

Figure 27 Word frequency distribution and word cloud for consulting - Research & development
Source: author's elaboration chart based on the interviews obtained
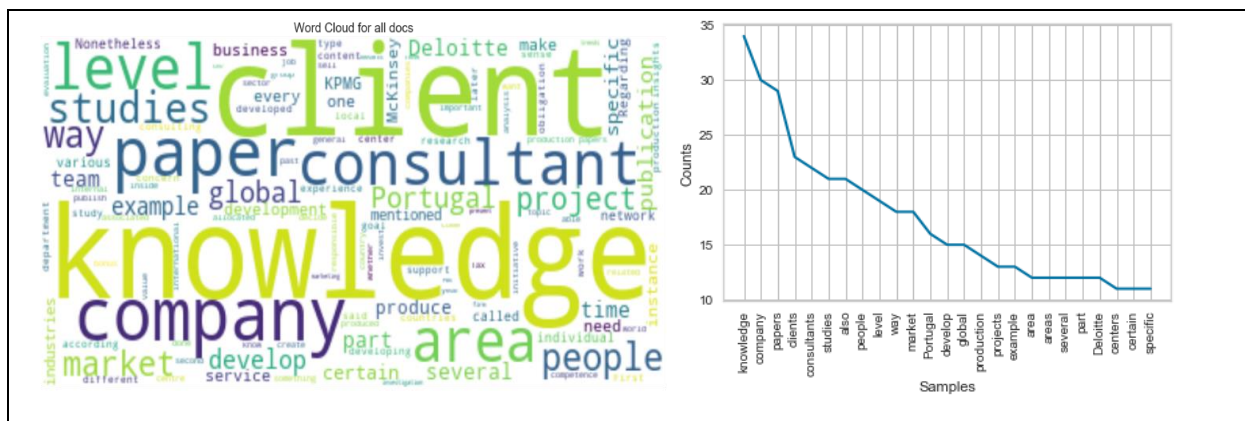
The result of the trigrams, Table 2, clearly shows the areas of labs or specialised areas of global knowledge creation, including people hired full time for this purpose.

Table 2 Trigrams word frequency for consulting - Research & development
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	called knowledge management	6	technology technology labs
2	associated production papers	7	technology labs hire
3	global level according	8	labs hire people
4	bonus obligations associated	9	hire people times
5	area technology technology	10	people times exclusively

With reference to company MConsulting.C1, one of the partners began by saying that creating knowledge is in the company's DNA, something that can be proved by past creations, one of which, for instance, is a well-known matrix. Another interviewee from MConsulting.C1 revealed that they always have a group of people who are essentially researchers and who are only concerned with the development of new concepts. It was also mentioned that the client is the centre of gravity for this type of development; trustworthy, commercial relationships, through the passing on of past experiences and their daily work, could also serve as a form of innovation. The participants of the company MConsulting.C2 state that they have heard that the company invests more in research than certain universities; Harvard, for example. In financial terms, they invest part of their profits, but also their researchers' time, which on a global scale also becomes one of their biggest competitive advantages. Despite this, one of those interviewed stated that the biggest contribution to knowledge comes from work carried out with clients, which serve as case studies, and are adapted and replicated by the group's specialist team which is also specialised in the investigation of macroeconomic subjects.

With regard to the answers of the Big-four, the interviews revealed that all of them have a specific department for the creation of knowledge, one of the levers of business. In the company MConsulting.C3, the technical teams develop publications and market studies which are coordinated and approved at a global level according to defined strategies. The company also indicates that this production of knowledge is utilised internally for learning, but it is also seen as a way of being in the market and maintaining a close relationship with the clients. In company MConsulting.C4, the production of knowledge is part of the strategy to stay a step ahead of the competition and to always keep up with trends, or even, preferably, define them. As with the other companies, it includes skills centres responsible for the creation of analysis at the macroeconomic level that serve to communicate their know-how to the market and position themselves as opinion leaders in various areas. This emphasises the isolated fact, in the face of their competitors, that many studies are carried out at local or national level, which gives them

a different dimension. In company MConsulting.C5, the creation and sale of knowledge is at the heart of how the company operates. Despite the existence of a specific area of knowledge management, the consultants are also responsible for content production. Company MConsulting.C6 reveals that it is the clients, who are ever more demanding, who instigate investment in knowledge, namely in market studies and possible approaches to be used. The best worldwide practices are mirrored by the company's internal network and adapted to different national realities. One of the interviewees mentioned that the use of centres of excellence points to the professionalisation of investment in knowledge, and is the future of consulting.

Another two management companies, not as large, also present their vision. Company MConsulting.C13 has the ultimate objective of scientific work and said that each project results in a case study and a scientific publication. It was stated, however, that the clients and teams are still not yet mature enough and do not have enough visibility to do so, but that it will only be a matter of time, given that it is something in which they are investing heavily for the future. The company also uses European funds for R&D and dedicates a part of their profits to this end.

Regarding technological companies, MConsulting.C7 reveals that much of the development of knowledge is carried out in labs where the focus is on the anticipation and experimentation of solutions that resolve clients' problems. These labs are the vector of change since they compel the company to be constantly seeking to innovate and will result in future business areas, and consequently will spread around the world. In company MConsulting.C8, there is no official research methodology, it is done on the individual initiative of the different areas that make up the company that have autonomy and independence within the general rules and regulations of the company.

MConsulting.C9 states that it never stops thinking about innovation, that innovation originates from the clients, but if the output created in the project has potential, then internal teams are allocated to productise it and put it to market, thus forging innovation.

The interviewee from the company MConsulting.C10, in line with the previous respondent, states that innovation exists when jobs are replicated from one country to the other, thus creating more potential to the whole group, with the existence of the development of something. The same happens with Case Studies, which are carried out by the communication team and sent to the market.

The respondents from company MConsulting.C11 mention that there are several labs in the world that are developing products, and that consulting depends on that vital innovation. The interviewee gives the example that the company, through its labs and partners, has launched a new, more innovative, and with improved performance, storage and management system of peripherals in the cloud. The services team will then advise the clients that there is a better setup that allows for more security, savings and less cost, creating and selling management projects, not only technologies, to "transform" the way of working and the management of the company's tools into something better.

Another of the technological companies, MConsulting.C12 states that every year they always carry out studies and choose clients to test scenarios and do case studies for publication in specialist journals and opinion articles. The company also states that it has applied for and won grant assistance for R&D, which shows that it invests in the area and has specific teams to deal with it.

In the following table, Table 3, it is possible analyse the main outputs taken from each company.

Table 3 Management consulting main outputs - Research & development

Source: author's elaboration based on the interviews obtained

Company	Main Outputs - Research & development
MConsulting.C1	− creating knowledge is in the company's DNA − there are a group of people who are essentially researchers − client is the centre of gravity for this type of development
MConsulting.C2	− invests more in research than certain universities − invest part of their profits, but also their researchers' time, which on a global scale also becomes one of their biggest competitive advantages − the biggest contribution to knowledge comes from work carried out with clients, which serve as case studies
MConsulting.C3	− the technical teams develop publications and market studies − it is also seen as a way of being in the market and maintaining a close relationship with the clients
MConsulting.C4	− the production of knowledge is part of the strategy to stay a step ahead of the competition − communicate their know-how to the market and position themselves as opinion leaders in various areas
MConsulting.C5	− the creation and sale of knowledge is at the heart of how the company operates − the consultants are also responsible for content production
MConsulting.C6	− clients, who are ever more demanding, who instigate investment in knowledge, namely in market studies and possible approaches to be used
MConsulting.C7	− much of the development of knowledge is carried out in labs where the focus is on the anticipation and experimentation of solutions that resolve clients' problems
MConsulting.C8	− there is no official research methodology, it is done on the individual initiative of the different areas
MConsulting.C9	− innovation originates from the clients − teams are allocated to productise it and put it to market
MConsulting.C10	− innovation exists when jobs are replicated from one country to the other
MConsulting.C11	− there are several labs in the world that are developing products,
MConsulting.C12	− every year they always carry out studies and choose clients to test scenarios and do case studies for publication in specialist journals and opinion articles
MConsulting.C13	− each project results in a case study and a scientific publication − uses European funds for R&D and dedicates a part of their profits to this end

4.1.2.2 Innovation in the portfolio of services

Innovation of portfolio is seen as a strategy of differentiation in the face of the competition. This question aims to assess how and why it is that management consulting companies continually innovate their portfolio of services. In Figure 28, about word frequency distribution, and Table 4, word cloud charts, and trigrams word frequency, it is possible to see a big picture of interviews.

Figure 28 Word frequency distribution and word cloud for consulting – Innovation in the portfolio
Source: author's elaboration chart based on the interviews obtained
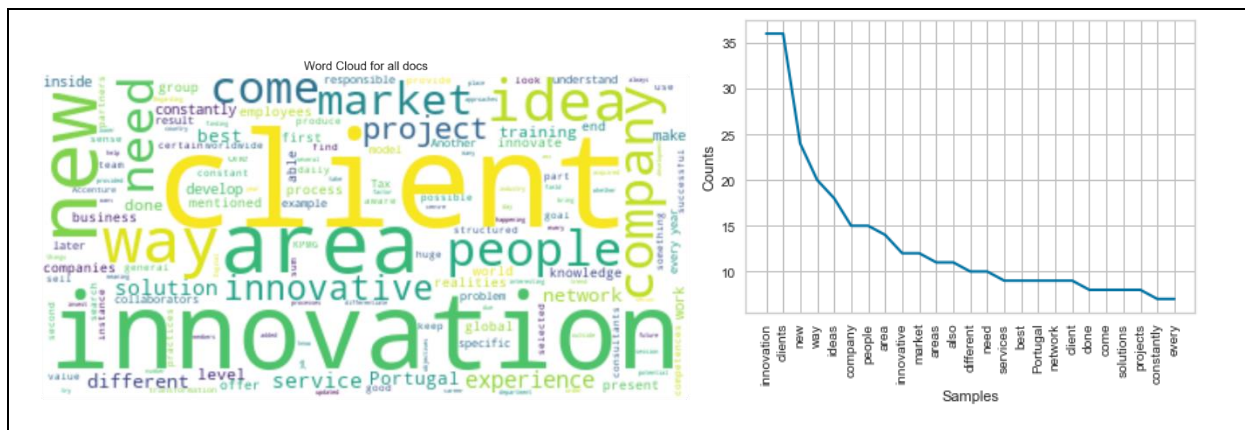
Table 4 Trigrams word frequency for consulting - Innovation in the portfolio
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	come new ideas	6	several areas company
2	way provide innovative	7	specialists study decide
3	structured process areas	8	innovation done way
4	areas want invest	9	innovate depends culture
5	investment grants allocated	10	clients innovative solutions

In MConsulting.C2, and in line with this area of research, it was mentioned that the innovation of the portfolio results in a close interaction with the clients and is more connected to the partner network of specialists. It is therefore able to create innovation in the field. The wisdom crowd principal is used whereby when many clients accept the suggestions, or solicit something, then it is necessary to adapt the portfolio. Companies MConsulting.C4, MConsulting.C6, MConsulting.C13 do not work in a very different way. In company MConsulting.C4, innovation is again mentioned in the context of daily contact with the client, and in the exposure to different situations, although the company possesses dedicated centres for this purpose. One of their strong points, according to those interviewed, is linked to technology, given that every

time they innovate, they try to apply the knowledge gained to something that the clients can use and which is profitable. Company MConsulting.C3 states that *"you don't need to reinvent the wheel"*. Instead, they search the world over, using a specialised department and making use of their global network, in order to attend to the needs of their clients and to help predict trends. In company MConsulting.C5, in contrast to the others, there is no specific innovation department, but they invest substantially in training staff and integrating them into teams with older colleagues so that different perspectives can give rise to new ideas and solutions. Company MConsulting.C1 also revealed that there is a department for innovation, but only at a global level, although the innovation and the means to achieve it are present in the planning and implementation of various strategies, together with investment concessions distributed throughout several areas of the company.

Companies MConsulting.C7, MConsulting.C11 e MConsulting.C12, from a more technological perspective, state that it is part of the company's culture to constantly reinvent itself as mentioned above; it has areas exclusively focused on innovation and the development of methodologies, systems and disruptive approaches. Their relationship with the clients and their proximity to them also increases the focus on innovation. In company MConsulting.C8 there is also an area of centralised transformation. The respondent also mentioned that the areas of innovation are now a tendency within the company.

In companies MConsulting.C9 and MConsulting.C10, innovation comes from the identification of necessities and opportunities on all sides, but principally where it concerns clients. Again, the benefits of access to the global network were equally leveraged, along with the adaptation of best practices found all over the world.

In the following table, Table 5, it is possible analyse the main outputs taken from each company.

Table 5 Management consulting main outputs - Innovation in the portfolio of services
Source: author's elaboration based on the interviews obtained

Company	Main Outputs - Innovation in the portfolio of services
MConsulting.C1	− there is a department for innovation, but only at a global level
MConsulting.C2	− a close interaction with the clients and is more connected to the partner network of specialists − The wisdom crowd principal is used whereby when many clients accept the suggestions, or solicit something
MConsulting.C3	− attend to the needs of their clients and to help predict trends
MConsulting.C4	− innovation is again mentioned in the context of daily contact with the client − very time they innovate, they try to apply the knowledge gained to something that the clients can use and which is profitable
MConsulting.C5	− invest substantially in training staff and integrating them into teams with older colleagues so that different perspectives can give rise to new ideas and solutions
MConsulting.C6	− clients accept the suggestions, or solicit something
MConsulting.C7, C11 and C12	− it has areas exclusively focused on innovation and the development of methodologies, systems and disruptive approaches − proximity with client increases the focus on innovation
MConsulting.C8	− area of centralised transformation
MConsulting.C9 and C10	− identification of necessities and opportunities
MConsulting.C13	− clients accept the suggestions, or solicit something

4.1.2.3 Performance KPIs

After becoming familiar with the practices in the areas of research and development that contribute to the growth and development of the companies, the KPIs that govern the work and focus of the consultants was analysed. In Figure 29, about word frequency distribution, and Table 6, word cloud charts, and trigrams word frequency, it is possible to see a big picture of interviews.

Figure 29 Word frequency distribution and word cloud for consulting – Performance KPIs
Source: author's elaboration chart based on the interviews obtained

Table 6 Trigrams word frequency for consulting - Performance KPIs
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	different levels hierarchy	6	line generated margins
2	clients satisfaction second	7	margins price points
3	satisfaction first one	8	price points included
4	company concerned sales	9	billability means capacity
5	sales top line	10	included billability means

In company MConsulting.C2, as is the case with company MConsulting.C4, client satisfaction was the primary indicator mentioned, with the providing of a high quality service to their clients as its main objective. Company MConsulting.C2 is aware of the difference and the sustainable impact that it has on their clients, which is measured by the real results that their clients obtain, by the influence that they had, and also by the reoccurrence of business. Furthermore, company MConsulting.C6 is very concerned with brand reputation and with quality. Considering that it is an auditor, it is mentioned that delivering a quality project lessens the probability of risk.

Financial KPIs, of which rates of growth, revenue, EBITDA and all kinds of margins, invoicing and number of people are examples. Companies such as MConsulting.C1, MConsulting.C2, and MConsulting.C3 also highlights two indicators related to clients: fees and client payment rates. In companies MConsulting.C.5, MConsulting.C10, MConsulting.C11 and MConsulting.C13, there are different indicators according to the different levels of hierarchy and the role that the people perform within the company. In general, companies are concerned primarily with net profit per partner, an indicator linked to profitability, and market share, which is measured by the total turnover of their main clients. For a company listed on the stock exchange, such as company MConsulting.C7, the most important aspect is the variation of the

company's annual growth (turnover) which automatically indicates client satisfaction. One of the respondents states that profitability remains as, or more important, since selling more with less profit margin is not efficient. For companies MConsulting.C8, MConsulting.C9, MConsulting.C12 there are two main financial KPIs: closing deals and delivering with sales margins equal to, or higher than predicted. It is also mentioned that this can only happen if client satisfaction is guaranteed.

Staff satisfaction is another indicator discussed by companies MConsulting.C1, MConsulting.C2, MConsulting.C3, MConsulting.C5, MConsulting.C6, MConsulting.C7 and MConsulting.C13. Acceptance rates, turnover, career advancement and the ratio of partners to non partners are examples of related KPIs, but which are more operational. Highlighting the answers of company MConsulting.C5, those interviewed state that the company has developed an internal survey in order to evaluate internal happiness, satisfaction and commitment levels. Apart from these aspects, it actively controls the employee turnover rate and frequently analyses their ability to attract and retain talent. Company MConsulting.C6 and company MConsulting.C9 also stated that they measure their capacity to attract and retain talent.

Companies MConsulting.C1, MConsulting.C2, MConsulting.C12 and MConsulting.C13 referred directly to the productivity KPI, referring to the utilisation of consultants. The more billable time the consultants are there, the more revenue they will generate and they will also learn and progress. Company MConsulting.C3 stated that they do the same internally, but between various financial KPIs.

It is worth noting that social responsibility was only mentioned by companies MConsulting.C4 and MConsulting.C11, saying that it is gaining more importance and visibility internally. Three of the respondents referred to the mission of the company as being to *"build a better world"* and to the relevant role that they assume and that could be actively contributing to a transparent economy. Company MConsulting.C1 also has metrics related to diversity, such as, for example, the percentage of women.

In the following table, Table 7, it is possible analyse the main outputs taken from each company.

Table 7 Management consulting main outputs - Performance KPIs
Source: author's elaboration based on the interviews obtained

Company	Main Outputs - Performance KPIs
MConsulting.C1	− fees and client payment rates − Staff satisfaction − billable time − metrics related to diversity, such as, for example, the percentage of women
MConsulting.C2	− client satisfaction − real results that their clients obtain − reoccurrence of business − fees and client payment rates − Staff satisfaction − billable time
MConsulting.C3	− Staff satisfaction
MConsulting.C4	− social responsibility
MConsulting.C5	− different indicators according to the different levels of hierarchy − internal survey in order to evaluate internal happiness, satisfaction and commitment levels − Staff satisfaction
MConsulting.C6	− brand reputation and with quality − Staff satisfaction − capacity to attract and retain talent
MConsulting.C7	− variation of the company's annual growth (turnover) which automatically indicates client satisfaction − Staff satisfaction
MConsulting.C8	− closing deals and delivering with sales margins equal to, or higher than predicted
MConsulting.C9	− closing deals and delivering with sales margins equal to, or higher than predicted − capacity to attract and retain talent
MConsulting.C10	− different indicators according to the different levels of hierarchy
MConsulting.C11	− different indicators according to the different levels of hierarchy − social responsibility
MConsulting.C12	− closing deals and delivering with sales margins equal to, or higher than predicted − billable time
MConsulting.C13	− different indicators according to the different levels of hierarchy − Staff satisfaction − billable time

4.1.2.4 Work by project

As one of the respondents said, *"the objective of forming teams is to choose the right person for the right job"*. In this sense, the objective was to assess the main concerns and criteria used by the consulting companies when forming teams. In Figure 30, about word frequency distribution, and Table 8, word cloud charts, and trigrams word frequency, it is possible to see a big picture of interviews.

Figure 30 Word frequency distribution and word cloud for consulting – Work by project.
Source: author's elaboration chart based on the interviews obtained

Table 8 Trigrams word frequency for consulting - Work by project
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	clients forth global	6	discussed regularly challenges
2	forth global network	7	regularly challenges proposed
3	way new opportunities	8	proposed new ideas
4	search new clients	9	ideas solutions work
5	clients discussed regularly	10	make sense implement

In general, all companies carefully analyse the characteristics of the needs of the project or client, as well as the restrictions of the companies in order to put together the best team. Typically, the team is formed with internal resources that are the result of a mixture of people who fit the requirements of experience, availability, years of service, development and characteristics needs, and personal interests. The participants from strategic boutiques, however, mention the existence of a team dedicated exclusively to skills management and project allocation. The reports from the consultants interviewed, as far as project allocation is concerned, is very similar. It is a combination of available resources and the necessary profiles for the client. One of the respondents from company MConsulting.C1 stated that the make-up

of project teams is *"more of an art than a science"*, but the word or synonym most used was "*depends*". Companies MConsulting.C1, MConsulting.C9 and MConsulting.C13 stated that they try to put together teams that are balanced in terms of skills and past experience on similar projects, as a way of guaranteeing that there are not project teams consisting of only junior staff. Companies MConsulting.C1, MConsulting.C10 and MConsulting.C12 stated that when there are enough national workers, or they are not perceived to be aligned to the needs of the project, the company temporarily 'imports' resources from other offices. Companies MConsulting.C4 and MConsulting.C11 state that they sometimes turn to the market to outsource workers. Company MConsulting.C3 also states that for more complex or riskier projects, there is the possibility of having a quality review partner. For companies MConsulting.C7 and MConsulting.C13 it is essential to have a site where all the workers can access the allocation data; CVs, skills, past project history, and from there select an allocation based on the category, skills and availability, with availability representing a challenge. In companies MConsulting.C8 and MConsulting.C13, in the delivery of the project, the project manager plays an important role and is present most of the time. The project manager is an integrating piece in terms of what was proposed and what is going to be done, including the setting-up of the team.

One of the respondents stated that *"during the execution of the projects, it is important that the knowledge of other projects is collected and ultimately evolved"*. Another of the objectives was to analyse the mechanisms that the companies studied utilised in order to guarantee the desirable transfer of knowledge between and within projects.

As a result of the various interviews it is possible to conclude that, in terms of transfer of information within projects, there are no dramatic differences that are worth analysing, since the approaches are quite similar. In general, the transfer of knowledge is carried out through various channels, through members of the team, or rather the partners and the specialists (people with more experience in that area) and also a technological repository where the experiences of the project are collected and registered, (excluding confidential information). There are also, in some consulting companies, research teams specialised in certain areas that supply information, market knowledge, past experiences, all as a way to accelerate knowledge, as is the case with the global network of company MConsulting.C2. According to company MConsulting.C2, in general there is a great response capability amongst all members in all parts of the world. In company MConsulting.C5, there is a strong culture of knowledge sharing, as everyone knows that *"the only way to survive is by sharing knowledge"*. The regular brainstorming sessions of company MConsulting.C5, carried out at all levels of the hierarchy, were also mentioned as a

method of preparing to deal with clients. Companies MConsulting.C6, MConsulting.C10 and MConsulting.C11 also hold very aggressive training programs throughout the year. The only distinction is related to companies MConsulting.C9 and MConsulting.C13, who stated that high staff rotation rates could jeopardise the transfer of knowledge, meaning that the updating of platforms and the production of videos is increasingly demanded of teams.

In the following table, Table 9, it is possible analyse the main outputs taken from each company.

Table 9 Management consulting main outputs - Work by project
Source: author's elaboration based on the interviews obtained

Company	Main Outputs - Work by project
MConsulting.C1	− *"more of an art than a science"* − balance in terms of skills and past experience on similar projects − company temporarily 'imports' resources from other offices
MConsulting.C2	− research teams specialised in certain areas that supply information, market knowledge, past experiences,
MConsulting.C3	− having a quality review partner
MConsulting.C4	− turn to the market to outsource workers
MConsulting.C5	− strong culture of knowledge sharing − regular brainstorming
MConsulting.C6	− aggressive training programs throughout the year
MConsulting.C7	− site where all the workers can access the allocation data; CVs, skills, past project history, and from there select an allocation based on the category, skills and availability, with availability representing a challenge
MConsulting.C8	− use of project manager − transfer of knowledge between and within projects
MConsulting.C9	− balance in terms of skills and past experience on similar projects
MConsulting.C10	− company temporarily 'imports' resources from other offices − aggressive training programs throughout the year
MConsulting.C11	− turn to the market to outsource workers − aggressive training programs throughout the year
MConsulting.C12	− company temporarily 'imports' resources from other offices
MConsulting.C13	− balance in terms of skills and past experience on similar projects − site where all the workers can access − use of project manager

4.1.2.5 Evaluation

Lastly, but no less important, during and after projects there should be an evaluation of project performance. All those interviewed also shared their point of view regarding the existing

evaluation practices in their companies. In Figure 31 about word frequency distribution, and Table 10, word cloud charts, and trigrams word frequency, it is possible to see a big picture of interviews.

Figure 31 Word frequency distribution and word cloud for consulting – Projects evaluation
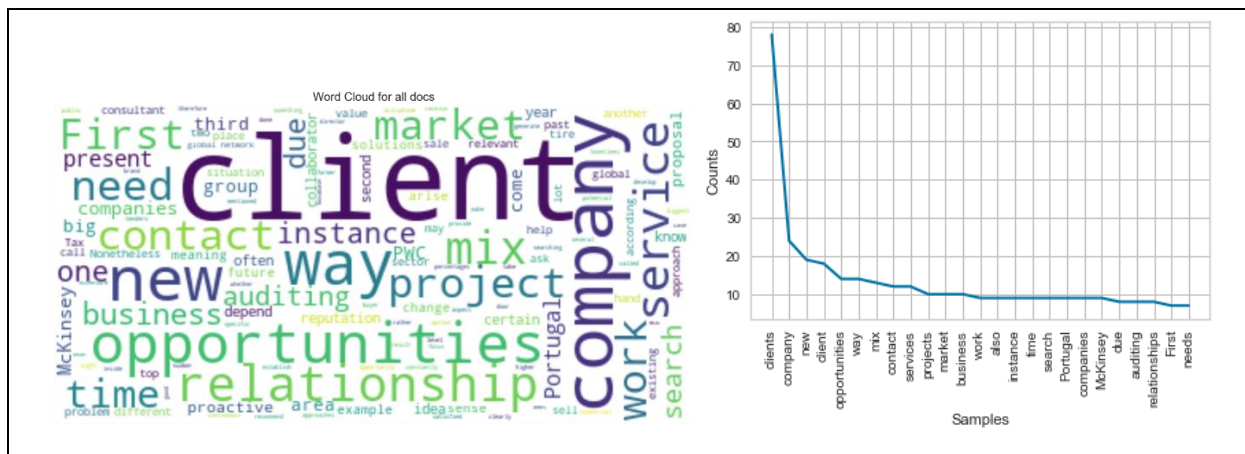Source: author's elaboration chart based on the interviews obtained
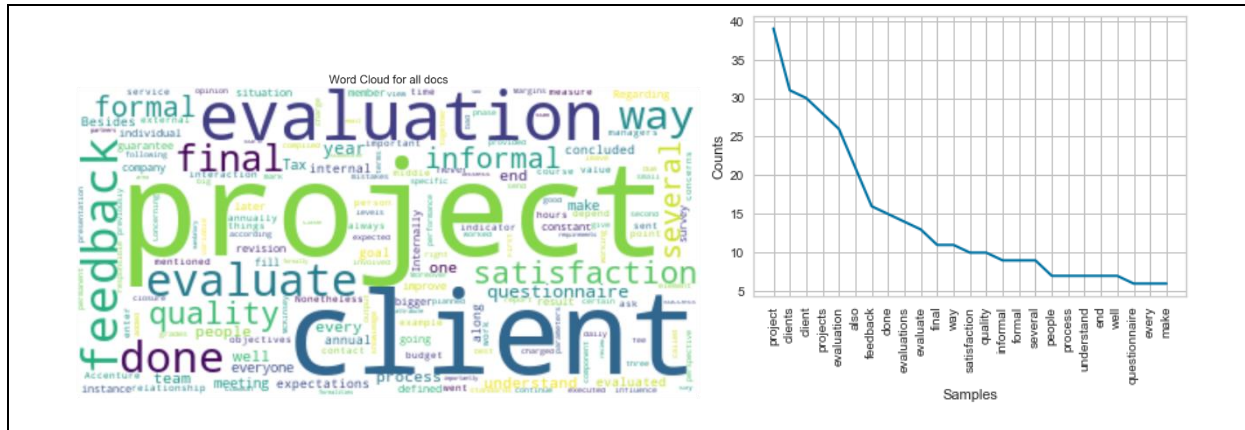
Table 10 Trigrams word frequency for consulting – Evaluation
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	everyone evaluates everyone	6	executed value proof
2	every project concluded	7	proof exercise annually
3	several ways evaluate	8	exercise annually clients
4	ways evaluate projects	9	annually clients feedback
5	evaluate people executed	10	clients feedback also

In summary, all of the companies evaluated, directly or indirectly, their projects and the performance of their teams. While some companies still use an informal process with their clients, whereby feedback is exchanged in a natural way, others mentioned the existence of formal feedback from the client, as is the case with companies MConsulting.C2, MConsulting.C4, MConsulting.C3, MConsulting.C6, MConsulting.C8, MConsulting.C9 and MConsulting.C11, with companies MConsulting.C5 progressing to a more formal process. For companies MConsulting.C2 and MConsulting.C13 the best possible evaluation is for the client to follow up the services by contracting them again, while MConsulting.C2 stated that their primary, internal concern is to guarantee that the project brought genuine value to the client, with the failure to do so representing a stain on the brand. However, the company, at the end of each project, evaluates the staff formally, a process initiated by the partner and later considered in the evaluations.

For companies MConsulting.C5, MConsulting.C10 and MConsulting.C12 the evaluation is also carried out with the client on a more informal level, but the company did state that it is developing a more formal approach. They also stated that the best indicator of a good evaluation was return business, in other words, whenever the client has challenges or problems, they get back in touch. Internally, project evaluation is also informal, although these are taken into account during formal, annual performance evaluations. Company MConsulting.C3 provides the client with an evaluation form and internally, apart from the evaluation of consultants, there is a financial performance and resources evaluation. In companies MConsulting.C4 and MConsulting.C6 the process is similar, and at the end of the projects they conduct what are called quality reviews of the projects' deliverables, performance evaluations of the people involved, also in 360° format. In addition, they formally ask for feedback from their clients. It is worth noting that in the case of company MConsultingC1, they revealed that they do not evaluate projects, only the staff that were involved in it, using the 360° feedback model. Another of the respondents stated something different, that there are final presentations and annual meetings with clients regarding projects, with this being more of a continuous relationship than just for the project. Company MConsulting.C7 promotes *"feedback sessions"* with the client and teams and tries to do it by way of milestones, listening to the client and attempting to understand what might not be going as expected.

For company MConsulting.C7, as with company MConsulting.C2, wanting a good evaluation is to guarantee that all of the conditions that the client asked for were attended to and comprehensively met. In company MConsulting.C8, there are several ways to evaluate projects. As is usual with project management there is a focus on the margins and in the consumption of hours. Furthermore, there is a formal evaluation of the projects with the clients, with a general questionnaire at the end of the year, to be completed by the clients.

In the following table, Table 11, it is possible analyse the main outputs taken from each company.

Table 11 Management consulting main outputs – Evaluation
Source: author's elaboration based on the interviews obtained

Company	Main Outputs - Evaluation
MConsulting.C1	− not evaluate projects, only the staff that were involved in it, using the 360° feedback model − there are final presentations and annual meetings with clients regarding projects, with this being more of a continuous relationship than just for the project
MConsulting.C2	− formal feedback from the client − all of the conditions that the client asked for were attended to and comprehensively met − best possible evaluation is for the client to follow up the services by contracting them again − project brought genuine value to the client
MConsulting.C3	− formal feedback from the client − provides the client with an evaluation form − financial performance and resources evaluation
MConsulting.C4	− formal feedback from the client − quality reviews of the projects' deliverables − performance evaluations of the people involved, also in 360° format
MConsulting.C5	− progressing to a more formal process − best indicator of a good evaluation was return business
MConsulting.C6	− formal feedback from the client − quality reviews of the projects' deliverables − performance evaluations of the people involved, also in 360° format
MConsulting.C7	− all of the conditions that the client asked for were attended to and comprehensively met − promotes *"feedback sessions"* with the client and teams
MConsulting.C8	− formal feedback from the client − focus on the margins and in the consumption of hours
MConsulting.C9	− formal feedback from the client
MConsulting.C10	− progressing to a more formal process − best indicator of a good evaluation was return business
MConsulting.C11	− formal feedback from the client
MConsulting.C12	− progressing to a more formal process − best indicator of a good evaluation was return business
MConsulting.C13	− best possible evaluation is for the client to follow up the services by contracting them again

4.1.3 Human resources and talent

Apart from the operating model of management consulting companies, the interviews also aimed to assess in which way resource management is adapted and adequate to the model itself, encompassing recruitment, evaluation and exit.

4.1.3.1 Recruitment

According to those interviewed from company MConsulting.C13, *"the quality of strong culture and delivery depends and will always depend in large part on the way that one hires"*. This question aimed to ask the companies about the recruitment process and its relevance. In Figure 32, about word frequency distribution, and Table 12, word cloud charts, and trigrams word frequency, it is possible to see a big picture of interviews.

Figure 32 Word frequency distribution and word cloud for consulting – Recruitment

Source: author's elaboration chart based on the interviews obtained

Table 12 Trigrams word frequency for consulting - Recruitment
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	think outside box	6	well new situations
2	able work teams	7	situations finally relational
3	analytical capacity capacity	8	capacity teams clients
4	capacity capacity learn	9	recruitment process highly
5	learn react well	10	process highly scrutinized

The respondent from company MConsulting.C12 stated more than once that "*at the end of the day what counts are the people"*. All the respondents also shared their point of view regarding the existing recruitment practices, i.e the characteristics that the companies look for in a candidate and how they ensure the efficacy of the process.

Companies MConsulting.C1 and MConsulting.C12 are always seeking "brains", or in other words, candidates with a strong analytical ability, which indicates the existence of problem solving skills. They must be highly able to think, analyse and resolve. Other aspects such as energy, drive, motivation, adaptability and relational skills are also important. Company MConsulting.C2 seeks the same qualities, but states that it has a very cohesive, coherent and consistent recruitment process in all of their offices the world over, with the same evaluation and selection matrix. This matrix focuses essentially on two points; intrinsic problem-solving ability and relational skills such as communication and influence. This is because in order to convince clients, it is crucial to be credible and to be able to influence large organisations without having any power. In company MConsulting.C5, recruitment is also equally scrutinised; they seek empathy, out of the box thinking and creativity to resolve problems, as *"being the same"* is not enough, the consulting activities must differentiate themselves from the competition to survive.

The other companies also mention similar subjects; company MConsulting.C3 favours candidates' analytical and reasoning skills as well as technical skills, willingness to learn, work ethic and flexibility and adaptability to teams, projects, clients and work methodologies. In company MConsulting.C4, beyond that stated by company MConsulting.C3, they look for open-minded candidates who are aligned to the culture and values of the company. Company MConsultingC.6 differentiates itself from the competition by placing most importance on creativity, and only afterwards do they focus on problem-solving and self confidence. Company MConsulting.C7 reports that they look for two seemingly conflicting qualities in their candidates: adaptation to different realities, cultures and details, and making use of them without conditioning them with their experiences. The characteristics that companies MConsulting.C8, MConsulting.C10, and MConsulting.C11 seek in candidates depends on the projects. However, for companies MConsulting.C10 and MConsulting.C11, technical and behavioural skills, along with empathy, are the combination of characteristics that they are looking for.

Only company MConsulting.C9 states that recruitment these days often encompasses universities, looking for *"diamonds in the rough"* to then be moulded to the culture of the company is one of the strategies. However, in all big four for example it has been reported that annually have a class of freshly left-out interns which facilitates people's integration and generates internal economies of scale. For company MConsulting.C13 the process, in theory, is formal and "*by the book",* although given the scarcity of capable people who correspond to

the needs of the project, recruitment takes place almost as a trial, where people are evaluated during the first few months. One of those interviewed revealed that the tests and rigorous process are without doubt necessary, and that they will continue to do it, but however many tests they may do, there are always surprises, both positive and negative.

In the following table, Table 13, it is possible analyse the main outputs taken from each company.

Table 13 Management consulting main outputs – Recruitment
Source: author's elaboration based on the interviews obtained

Company	Main Outputs - Recruitment
MConsulting.C1	– candidates with a strong analytical ability, problem solving skills – annually have a class of freshly left-out interns
MConsulting.C2	– consistent recruitment process in all of their offices the world over – problem-solving ability and relational skills such as communication and influence – annually have a class of freshly left-out interns
MConsulting.C3	– analytical and reasoning skills as well as technical skills, willingness to learn, work ethic and flexibility and adaptability to teams, projects, clients and work methodologies
MConsulting.C4	– analytical and reasoning skills as well as technical skills – open-minded candidates who are aligned to the culture and values of the company – annually have a class of freshly left-out interns
MConsulting.C5	– they seek empathy, out of the box thinking and creativity to resolve problems – annually have a class of freshly left-out interns
MConsulting.C6	– creativity, and only afterwards do they focus on problem-solving and self confidence – annually have a class of freshly left-out interns
MConsulting.C7	– adaptation to different realities, cultures and details, and making use of them without conditioning them with their experiences
MConsulting.C8	– depends on the projects
MConsulting.C9	– use of universities
MConsulting.C10	– depends on the projects – technical and behavioural skills, along with empathy
MConsulting.C11	– depends on the projects – technical and behavioural skills, along with empathy
MConsulting.C12	– "*at the end of the day what counts are the people*" – candidates with a strong analytical ability, problem solving skills

MConsulting.C13	– *"the quality of strong culture and delivery depends and will always depend in large part on the way that one hires"*

4.1.3.2 Evaluation model

The staff evaluation model was also studied, including the remuneration system used. The aim of this was to simultaneously understand how career advancement has evolved in the different companies. In Figure 33, about word frequency distribution, and Table 14, word cloud charts, and trigrams word frequency, it is possible to see a big picture of interviews.

Figure 33 Word frequency distribution and word cloud for consulting – Evaluation model
Source: author's elaboration chart based on the interviews obtained

Table 14 Trigrams word frequency for consulting - Evaluation model
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	every six months	6	process evaluate performance
2	variable component salary	7	increase sense belonging
3	since beginning career	8	two moments evaluation
4	higher levels hierarchy	9	project long evaluate
5	contributes increase sense	10	evaluated every project

The central aspect of evaluation of the majority of the consulting companies is the projects, which are the main way of delivering value, with quality, to the clients. For example, in company MConsulting.C1 everyone has a variable component, and from the beginning of their career the variable component depends on the performance of the projects and, if they are very long, they are normally evaluated every three months. There are career evaluations every six months in order to provide feedback and exchange information regarding expectations, suggestions for improvement and training, amongst others. Career development in company

MConsulting.C1 is very fast; every two years there is a promotion, but this takes longer when an employee reaches the higher levels of hierarchy.

Also, in company MConsulting.C2, there is a constant progression over the length of careers, from analyst to the position of partner, when every two years there is a step up in position and job description in accordance with an "up or out" structure, whereby nobody stops other people from rising in the organisation. Company MConsulting.C2 does not have a bonus system, instead the concept of total remuneration that varies according to performance. Evaluation also takes place every six months with evaluation committees established for that purpose. In company MConsulting.C3, as with company MConsulting.C3, the evaluation process takes place every six months, with the first providing feedback, and the second determining promotion. Here, remuneration is fixed at the beginning, with a variable component resulting from project performance, sales and earnings per sale, volume of chargeable hours and control of teams.

In company MConsulting.C4, besides the variable in less junior positions, there are also annual performance objectives and feedback reports that are carried out twice a year. At the end of the year, there is also a revision committee to evaluate progress and improvements. It was stated that senior employees evaluate younger employees in terms of performance, and they play a role as advisers, helping their career with the definition of objectives at the beginning of each year. In the case of companies MConsulting.C5, MConsulting.C6, MConsulting.C7, MConsulting.C9 and MConsulting.C10, it is the same or similar to that mentioned above, and like company MConsulting.C2, apart from the timeline of 2 years that, for the majority of companies, a minimum is not defined.

Companies MConsulting.C4, MConsulting.C5, MConsulting.C8 and MConsulting.C11 supply each consultant with an advisor, also called a performance manager. Companies MConsulting.C6 and MConsulting.C12 do not focus so much on variables, but more on performance bonuses and distribution of profit. Company MConsulting.C7, apart from the variable, encourages the buying of discounted shares. In company MConsulting.C13, evaluation is typically per project, but it also takes place in a very informal way. The two respondents from this company both state that more than just delivering and doing what was forecast, it is necessary to satisfy the clients, help colleagues and help the company, which are KPIs that are difficult to normalise, but which can be evaluated throughout the year, formally or informally.

In the following table, Table 15, it is possible analyse the main outputs taken from each company.

Table 15 Management consulting main outputs - Evaluation Model
Source: author's elaboration based on the interviews obtained

Company	Main Outputs - Evaluation Model
MConsulting.C1	− everyone has a variable component − career evaluations every six months − every two years there is a promotion
MConsulting.C2	− constant progression − "up or out" structure − Evaluation every six months
MConsulting.C3	− Evaluation every six months − variable component resulting from project performance, sales and earnings per sale, volume of chargeable hours and control of teams
MConsulting.C4	− annual performance objectives and feedback reports − revision committee to evaluate progress − senior employees evaluate younger employees in terms of performance, and they play a role as advisers
MConsulting.C5	− when every two years there is a step up in position and job description in accordance with an "up or out" structure − advisor, also called a performance manager
MConsulting.C6	− when every two years there is a step up in position and job description in accordance with an "up or out" structure − performance bonuses and distribution of profit
MConsulting.C7	− when every two years there is a step up in position and job description in accordance with an "up or out" structure − discounted shares
MConsulting.C8	− advisor, also called a performance manager
MConsulting.C9	− when every two years there is a step up in position and job description in accordance with an "up or out" structure
MConsulting.C10	− when every two years there is a step up in position and job description in accordance with an "up or out" structure
MConsulting.C11	− advisor, also called a performance manager
MConsulting.C12	− performance bonuses and distribution of profit
MConsulting.C13	− evaluation is typically per project, but it also takes place in a very informal way

4.1.3.3 Retention strategies

This topic aims to find out which are the most successful practices in the companies for retaining talent. One of the people interviewed states that *"..the current staff turnover rate is above 20%"* and *"that it is necessary to work in a different way"*. However, other colleagues

explain that a certain percentage of staff turnover is healthy for companies, seeing as it allows them to maintain a pyramid structure and to be sustainable over time. In Figure 34, about word frequency distribution, and Table 16, word cloud charts, and trigrams word frequency, it is possible to see a big picture of interviews.

Figure 34 Word frequency distribution and word cloud for consulting – Retention strategies
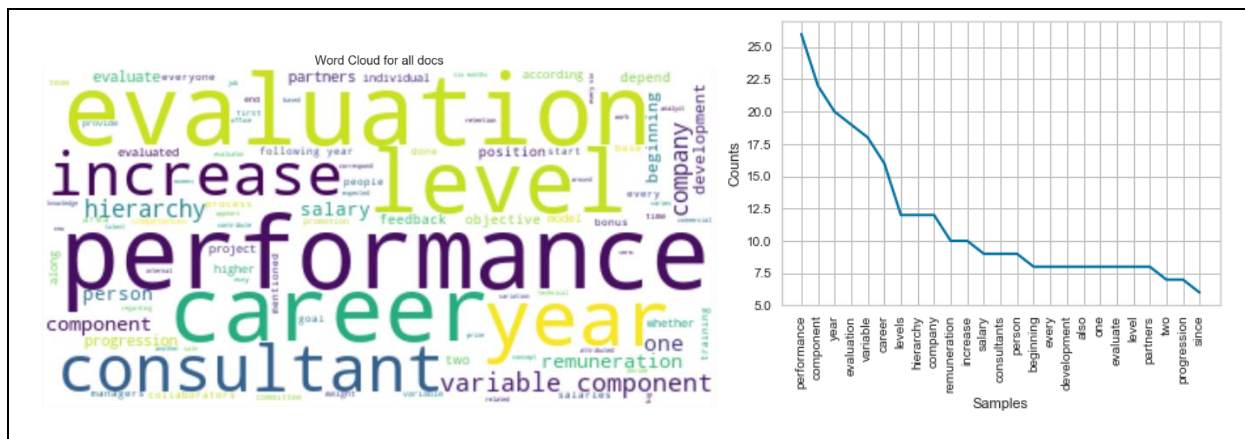Source: author's elaboration chart based on the interviews obtained

Table 16 Trigrams word frequency for consulting - Retention strategies
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	personal professional life	6	make people feel
2	every person enters	7	high rotation levels
3	good work environment	8	equilibrium personal professional
4	provide career opportunities	9	businesses done rotation
5	training provided employees	10	done rotation levels

According to the respondents from company MConsulting.C2, and due to international policies, it is difficult to retain an employee only through remuneration. Retention is not carried out through the use of specific compensation that can put at risk equality between people. As an alternative, an attempt is made to meet the expectations of the employees in relation to the development of their career and their personal growth, adjusting the program and work so that they feel happier and more challenged.

Retention also takes place when employees are allowed to do their work in a more sustainable way, balancing their personal and professional life yet still having the possibility of creating something. For company MConsulting.C1, retention is a consequence of specific policies; there is a set of flexible practices that work as incentives expressed in various career formats in the

sense that people feel like they belong to the family of the company. In company MConsulting.C3, the respondents stated that the secret is to provide challenges that each generation aspires to at any given moment, with the appropriate reward. This can vary from promising career opportunities, financial reward in the form of a bonus or salary raises, international travel opportunities, and promotion of work/life balance. Everything to make people feel good and recognised within the company, something also mentioned by companies MConsulting.C4 and MConsulting.C5. In company MConsulting.C5, it is thought that the only thing capable of retaining people is to make them feel that someone cares or is concerned about them and their career, believing that they can grow and evolve.

Other retention practices are related to informal relationships within the hierarchy, where there are no barriers for the youngest employees to achieve much higher positions. Besides this, people need to feel that their personal life is respected, a point also made by companies MConsulting.C6 and MConsulting.C13, who give partial importance to a healthy balance between personal, professional and even academic life, compensating staff for their efforts at times of increased workload. For company MConsulting.C7, nothing works better than listening to staff, with the evaluation system based on merit. They are also known for their rapid career progression and the possibility of working on international projects. In company MConsulting.C8 and MConsulting.C11, talent retention is a growing concern, since the IT market is very complex, with high staff turnover rates. Because of this, the company gives autonomy to its staff, providing them with their own "space" to allow them to develop their own ideas with the necessary support.

In summary, and after a more detailed analysis, there is clearly an abundance of activities and incentives to retain consultants. The balance between professional life and private life, mentioned by companies MConsulting.C2 and MConsulting.C12 and by all of the Big Four was, along with international experience, stated by companies MConsulting.C2, MConsulting.C3, MConsulting.C5, MConsulting.C6, MConsulting.C7, MConsulting.C9, MConsulting.C10 and MConsulting.C12. They all agree that these practices are the most successful. It was also stated that remuneration was never a factor that the consultants considered relevant to stay, although it did have some influence in the decision making process.

In the following table, Table 17, it is possible analyse the main outputs taken from each company.

Table 17 Management consulting main outputs - Research & development
Source: author's elaboration based on the interviews obtained

Company	Main Outputs - Research & development
MConsulting.C1	− a set of flexible practices that work as incentives expressed in various career formats
MConsulting.C2	− it is difficult to retain an employee only through remuneration − development of their career and their personal growth, adjusting the program and work − balancing their personal and professional life yet still having the possibility of creating something − international experience
MConsulting.C3	− challenges with the appropriate reward − career opportunities, financial reward in the form of a bonus or salary raises, international travel opportunities, and promotion of work/life balance
MConsulting.C4	− balance between professional life and private life
MConsulting.C5	− is to make them feel that someone cares or is concerned about them and their career − youngest employees achieve much higher positions − personal life is respected − international experience
MConsulting.C6	− healthy balance between personal, professional and even academic life − international experience
MConsulting.C7	− listening to staff, with the evaluation system based on merit − international experience
MConsulting.C8	− autonomy to its staff, providing them with their own "space"
MConsulting.C9	− international experience
MConsulting.C10	− international experience
MConsulting.C11	− autonomy to its staff, providing them with their own "space" − international experience
MConsulting.C12	− balance between professional life and private life − international experience
MConsulting.C13	− healthy balance between personal, professional and even academic life

4.1.3.4 After exit

It is impossible to retain the desired talent and therefore the present analysis will now reflect on how it is that consulting companies deal with their consultants leaving. These consultants, in the majority of cases, will find work with current or future clients. In Figure 35 about word frequency distribution, and Table 18, word cloud charts, and trigrams word frequency, it is possible to see a big picture of interviews.

Figure 35 Word frequency distribution and word cloud for consulting - After exit
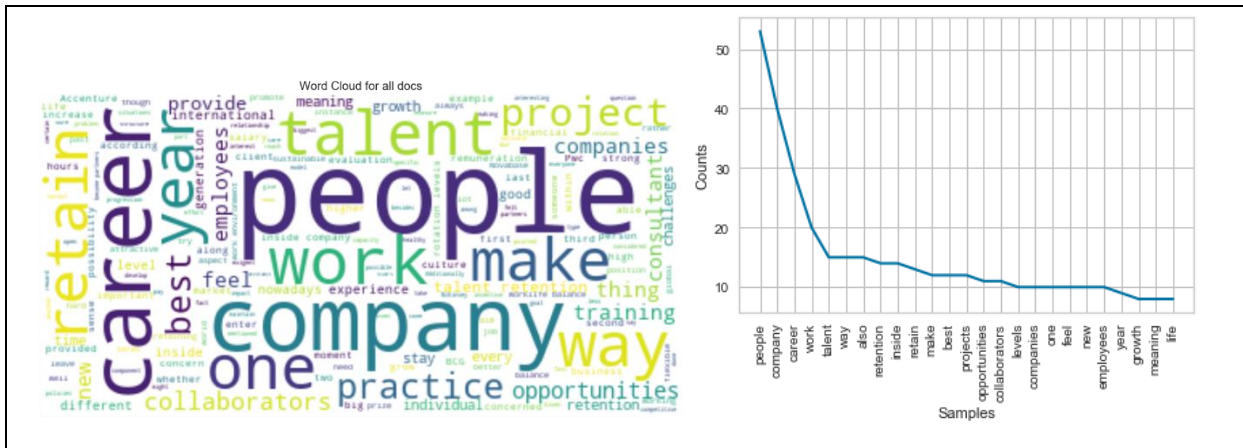Source: author's elaboration chart based on the interviews obtained
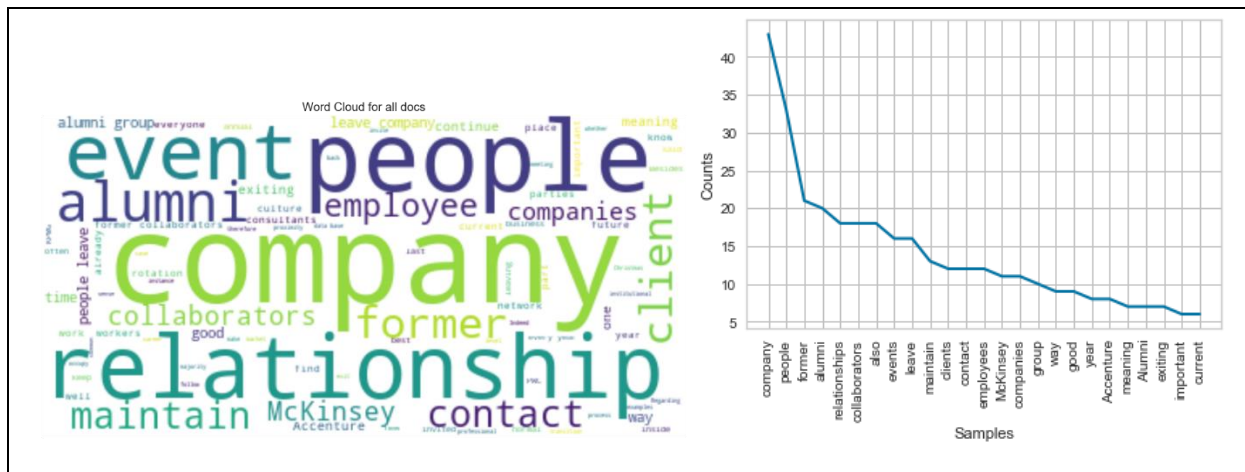
Table 18 Trigrams word frequency for consulting - After exit
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	contact former collaborators	6	alumni group invited
2	related culture company	7	group invited christmas
3	maintain relationships alumn	8	christmas parties formal
4	relationships former consulta	9	way alumni group
5	maintain good relationships	10	institutional way alumni

One of the respondents from MConsulting.C13 says that *"...despite all of the retention policies, in general staff turnover is seen as natural; it is part of the business of consulting and also promotes future business through ex-employees placed in clients' companies"*. For example, for company MConsulting.C1, this last point is so relevant that the alumni are invited to events, dinners, Christmas events and also Alumni Day.

For company MConsulting.C2, it is important that the people leave the company happy and satisfied, and if the person joined the company, it is because they have a lot of potential, and their leaving is never seen as a weakness. The partners are the first to help staff find the right place and help them with the transition; many of these ex-colleagues will, in the future, call the company to hire their services. The theme of alumni is not exclusive to company MConsulting.C2. Practically all of the big consulting companies engage in this practice, and they follow their progress through the relevant platforms. The respondents of company MConsulting.C7 reveal that it is common that people who leave the company return; they have an expression - *"once MConsulting.C7, always MConsulting.C7"*. In the other companies, in

general it was stated that the vast majority of consultants who decided to leave the company maintained positive relationships, and many of them are now clients. That close relationship works as a facilitator of business, although the respondent from MConsulting.C8, said that this does not mean that they are less demanding, often it is the opposite. Companies MConsulting.C12 and MConsulting.C13, despite sharing the same principles of a "healthy" alumni network, state in a singular way that they do not always maintain a good relationship given that employees who perform badly are typically those who do not leave the company and have to be invited to leave either directly or indirectly, for example by freezing their salary or by the company not investing in their careers.

In the following table, Table 19, it is possible analyse the main outputs taken from each company.

Table 19 Management consulting main outputs - After exit
Source: author's elaboration based on the interviews obtained

Company	Main Outputs - After exit
MConsulting.C1	– alumni are invited to events, dinners, Christmas events and also Alumni Day
MConsulting.C2	– people leave the company happy and satisfied – partners are the first to help staff find the right place and help them with the transition
MConsulting.C3	
MConsulting.C4	– alumni are invited to events
MConsulting.C5	
MConsulting.C6	
MConsulting.C7	– people who leave the company return
MConsulting.C8	– close relationship works with alumni as a facilitator of business
MConsulting.C9	
MConsulting.C10	– alumni are invited to events
MConsulting.C11	
MConsulting.C12	– "healthy" alumni network
MConsulting.C13	– *"...despite all of the retention policies, in general staff turnover is seen as natural; it is part of the business of consulting and also promotes future business through ex-employees placed in clients' companies"* – "healthy" alumni network

4.1.4 Client management

The portfolio of clients is one of the main assets of consulting companies, conferring on them prestige and reputation, allowing them to differentiate themselves in the market. In this regard, the aim was to analyse the origin and relationship of these companies with their clients.

4.1.4.1 Business development

One of the question posed aimed to obtain information from the participants regarding techniques, tools and secrets used to gain opportunities and guarantee the sale. In

Figure 36, about word frequency distribution, and Table 20, word cloud charts, and trigrams word frequency, it is possible to see a big picture of interviews.

Figure 36 Word frequency distribution and word cloud for consulting – Business development
Source: author's elaboration chart based on the interviews obtained
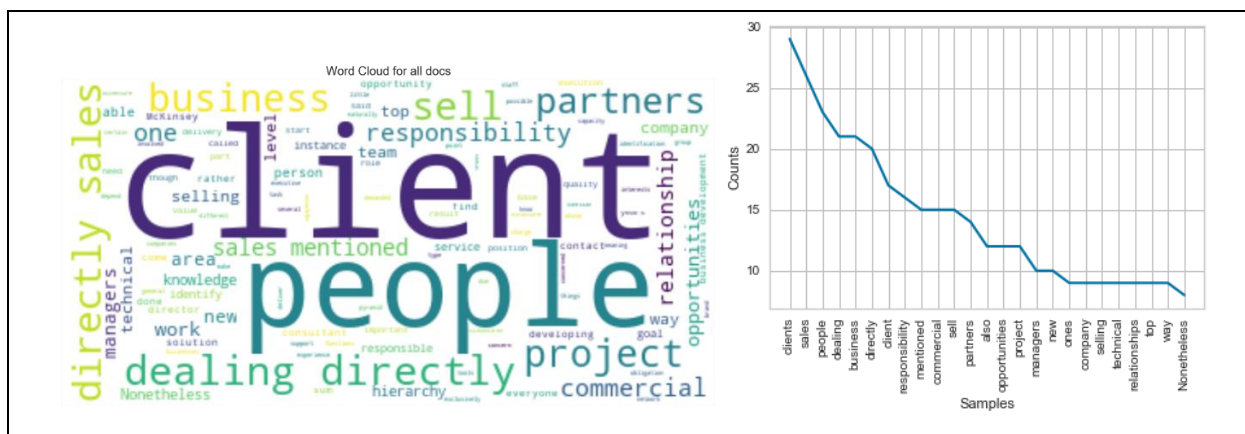
Table 20 Trigrams word frequency for consulting - Business development
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	dealing directly sales	6	ones responsibility support
2	find opportunities result	7	responsibility support people
3	opportunities result business	8	bit principals nonetheless
4	identify new opportunities	9	biggest majority responsibility
5	mentioned partners specialist	10	commercial activity partners

Company MConsulting.C1 is very clear and succinct as far as this point is concerned when they state that *"..the more transactional a relationship is, the worse it is"*, which means that

companies must result from relationships, in a natural way. Commercial activity is the responsibility of the partners and the more senior employees who manage the relationship with the clients. In this company, according to those questioned, it is very common to receive proposals from both new clients and from existing clients on whom they made a good impression. With existing clients, there could be a specific problem mentioned by the client themselves, or the company has observed or is aware of something that could be improved and proposes new business. One of the respondents also referred to public tenders as another source of new opportunities, but indicated that typically they do not make cold contacts because once again, what they intend is to build a relationship with existing clients and nurture a continuous, and not transactional, relationship.

In companies MConsulting.C2, MConsulting.C10, and MConsulting.C13 there is no supposed direct commercial activity, with this being considered a protection of their brand and reputation. However, it is the partners who have the responsibility and goal of identifying opportunities in an integrated way in their work with the clients. It is also stated that the sale happens in a naturally when the impact of the work is truly revealed to the client. For company MConsulting.C2, the biggest source of client income is the clients they already have. Apart from current clients they also receive requests for help and proposals from ex-employees who have moved to another company, something that happens 20% of the time.

In companies MConsulting.C4 and MConsulting.C11 the model is similar to those presented above. However, it is vehemently stated that if everyone takes part in the rendering of a quality service, the responsibility for the sale is taken at the higher part of the pyramid. The company managers, who have more experience in each area or sector, and who have their own network, are those who hold commercial responsibility. Besides this, these two companies have people who do not take part in the implementation of the project, but instead focus exclusively on the development of business, which means that their role is to support the other areas to sell, an example of which is the marketing team. Company MConsulting.C4 also focuses on the relationship with existing clients, but also with ex employees. The reports indicate that normally it is the clients who contact them. However, when it comes to larger clients, company MConsulting.C4 takes a proactive approach.

In other companies the scenario is a little different in terms of their approach to sales, although there is still no clear separation of teams. For example, in company MConsulting.C3 it is stated that they do not believe it possible to sell consulting services without knowledge of the business itself and so it is the partners who proactively seek the sale. The subject is so relevant that a

variable related to sales is added to the salary. One of the respondents from company MConsulting.C3 states that in Portugal there is a maximum of 20 large clients, and that all the big companies work there so the quality of delivery and relationships matter. Contrary to what was assumed, and in agreement with one of those interviewed from company MConsulting.C3, the clients are not what distinguishes the famous Big-four. In truth, they mentioned that the number of large clients is quite small in Portugal (15 - 20), and those clients are shared amongst the main companies. The partners from company MConsulting.C3 are encouraged to explore opportunities with clients, or to target areas, given that the projects finish, and it is necessary to maintain and/or increase productivity.

To achieve this, they normally use strategies such as promotional actions, partnerships and commercial contact. A similar scenario happens with company MConsulting.C5, which indicates that today the company spends more time looking for opportunity and clients rather than the other way round. In this company, there are no business managers, with those responsible for selling being the ones who have the knowledge, without separation between who produces and who sells, seeing as the core business of the company is to sell knowledge. As such, managers, senior managers and partners are required to have sales skills.

In company MConsulting.C6, according to the different areas, the emphasis on the sales process changes. For instance the Advisory and Tax areas are more proactive regarding matters concerning sales and the identification of opportunities. Furthermore, within this company there are salary variables linked to sales, which translates to a pressing need to constantly bring new solutions, identify new clients and take on new projects. One of the partners states that the opportunities are found through both a proactive and reactive approach. Besides this, public tenders created on specific platforms, characterised by a large number of competitors, were mentioned as a way of reaching clients.

Regarding technological companies the model is mixed. Company MConsulting.C7, reveals that there must be a proactive approach given that only 20% of opportunities come from a proactive approach on the part of the client. The company often generates needs amongst its clients, with this number of real sales coming from these opportunities being higher than when the client contacts the company. In addition, for this company it is stated that all levels of hierarchy have their responsibility in the process of business development, with the more formal part of business development being in industry, yet it is not linear. With companies MConsulting.C8, MConsulting.C9 and MConsulting.C12 the process is different; there is a defined commercial team that works with more technical teams on pre-sale and with technical

teams on the monitoring and delivery of the projects. This fact, according to the respondents, is a plus point in the relationship with the clients.

In general all the companies report the same as company MConsulting.C7 clearly stated, *"regardless of the strategy and structure, there is always the need for and existence of proactivity to gain opportunities that could, or not, result in sales."*

In the following table, Table 21, it is possible analyse the main outputs taken from each company.

Table 21 Management consulting main outputs - Business Development
Source: author's elaboration based on the interviews obtained

Company	Main Outputs - Business Development
MConsulting.C1	– *"..the more transactional a relationship is, the worse it is"* – responsibility of the partners and the more senior employees – proposals from existing clients – do not make cold contacts
MConsulting.C2	– no direct commercial activity – partners have the responsibility and goal of identifying opportunities – biggest source of client income is the clients they already have
MConsulting.C3	– responsibility of the partners – number of large clients is quite small in Portugal (15 - 20)
MConsulting.C4	– everyone takes part in the rendering of a quality service, the responsibility for the sale is taken at the higher part of the pyramid – relationship with existing clients, but also with ex employees
MConsulting.C5	– company spends more time looking for opportunity and clients rather than the other way round – managers, senior managers and partners are required to have sales skills
MConsulting.C6	– there are salary variables linked to sales
MConsulting.C7	– only 20% of opportunities come from a proactive approach on the part of the client – the company often generates needs amongst its clients
MConsulting.C8	– there is a defined commercial team
MConsulting.C9	– there is a defined commercial team
MConsulting.C10	– no direct commercial activity – partners have the responsibility and goal of identifying opportunities
MConsulting.C11	– everyone takes part in the rendering of a quality service, the responsibility for the sale is taken at the higher part of the pyramid
MConsulting.C12	– there is a defined commercial team
MConsulting.C13	– no direct commercial activity

	– partners have the responsibility and goal of identifying opportunities

4.1.4.2 Relationships

Since relationships are a crucial part of the health of management consulting companies, now is the moment to understand how relationships are created and maintained over time. In Figure 37, about word frequency distribution, and Table 22, word cloud charts, and trigrams word frequency, it is possible to see a big picture of interviews.

Figure 37 Word frequency distribution and word cloud for consulting – Relationships
Source: author's elaboration chart based on the interviews obtained

Table 22 Trigrams word frequency for consulting – Relationships
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	along development relations	6	avoid mere mercantilist
2	development relationships tr	7	mere mercantilist relationships
3	try make project	8	favour relationship trust
4	project since goal	9	trust confidence topics
5	client short avoid	10	time spend clients

The company MConsulting.C2 reveals that it maintains its relationships with clients on a daily basis through working with them. The secret, then, is to preserve and maintain these relationships even when they do not have active projects. Company MConsulting.C1 also tries to do the same, revealing that they avoid merely mercantilist relationships but instead favour win-win relationships where other topics can be discussed. For company MConsulting.C3, the key-element for successful relationships is trust, since consulting is a person to person business,

a business where goods are not sold but know-how, methodologies, approaches, ideas, and, more importantly, intellectual capital; the people.

Curiously, and in contrast to company MConsulting.C2, it was stated by one of those interviewed that clients do not seek the brand, but instead the people who work there and who deliver quality, and so trust is born from personal relationships and that is how clients are maintained, as with every other type of relationship. Closeness was also stated as a key-element in relationships, equally appreciated by clients. For company MConsulting.C4 there are clearly defined methods and methodologies for the management of accounts, whose objectives are to be proactive in terms of relations with the client; to be keen and responsive. The respondents form company MConsulting.C5 believe that they must attend to their clients in the best, most flexible way in order to adapt to different requests.

In general, consultants need to take pleasure in serving their clients, making sure they are satisfied. Besides this, there is the challenge of delivering what was promised under the conditions expected, establishing a relationship of trust. According to one of the respondents from company MConsulting.C6, "*satisfaction is equivalent to results minus expectations*". They work to increase the expectations of their strategic clients, and seek to deliver even better results. In companies MConsulting.C7, MConsulting.C8, MConsulting.C9, MConsulting.C11, MConsulting.C12 and MConsulting.C13 the objective is to guarantee that clients trust the company, for example through the practice of periodic visits, invitations to presentations and lunches and whenever possible creating other needs in the client.

To highlight a point made by company MConsulting.C13 where the best strategy of being *"always present"* is to always try, after projects to guarantee a fee or a number of hours to be used throughout the year, allowing the consultants to maintain contact and spot new opportunities. Otherwise, however strong the relationship may be, the client might not have enough time to maintain the relationship. Companies MConsulting.C8 and MConsulting.C10 further state that they also work with technological and legal partners, amongst others, who also enter into the relationship with clients, with the necessity of a strategic alignment for the relationship to also be extended to these types of partners.

In the following table, Table 23, it is possible analyse the main outputs taken from each company.

Table 23 Management consulting main outputs – Relationships
Source: author's elaboration based on the interviews obtained

Company	Main Outputs - Relationships
MConsulting.C1	– avoid merely mercantilist relationships but instead favour win-win relationships where other topics can be discussed
MConsulting.C2	– maintains its relationships with clients on a daily basis
MConsulting.C3	– trust – consulting is a person to person business – clients do not seek the brand but instead the people
MConsulting.C4	– defined methods and methodologies for the management of accounts
MConsulting.C5	– attend to their clients in the best, most flexible way in order to adapt to different requests – establishing a relationship of trust
MConsulting.C6	– *satisfaction is equivalent to results minus expectations"* – practice of periodic visits, invitations to presentations and lunches
MConsulting.C7	– guarantee that clients trust the company – practice of periodic visits, invitations to presentations and lunches
MConsulting.C8	– guarantee that clients trust the company – practice of periodic visits, invitations to presentations and lunches – work with technological and legal partners
MConsulting.C9	– guarantee that clients trust the company – practice of periodic visits, invitations to presentations and lunches
MConsulting.C10	– work with technological and legal partners
MConsulting.C11	– guarantee that clients trust the company – practice of periodic visits, invitations to presentations and lunches
MConsulting.C12	– guarantee that clients trust the company – practice of periodic visits, invitations to presentations and lunches
MConsulting.C13	– guarantee that clients trust the company – practice of periodic visits, invitations to presentations and lunches – *"always present"*

4.1.4.3 Future vision

The final interview question was made in order to reveal the point of view of the main members of the companies studied regarding the evolution of the industry, threats and future strategies.

Looking at Figure 38 it is possible to verify that the 5 words most used in the interviews related to companies, clients and people, which is in line with many of the insights collected in the literature as a response to threats and future strategies. It is also worth noting that, strangely, and contrary to what was mentioned in previous questions, the word 'technological' or any of its derivatives, do not appear in the 25 most frequent words used in the responses. This at a time when the sector is becoming increasingly more technological (companies MConsulting.C3, MConsulting.C8, MConsulting.C11 and MConsulting.C12) and as a consequence the lines of service and offers need to be constantly rethought (company MConsulting.C4) with the inclusion of products more related to technology (MConsulting.C5, MConsulting.C13).

Figure 38 Word frequency distribution and word cloud for consulting industry – Future vision
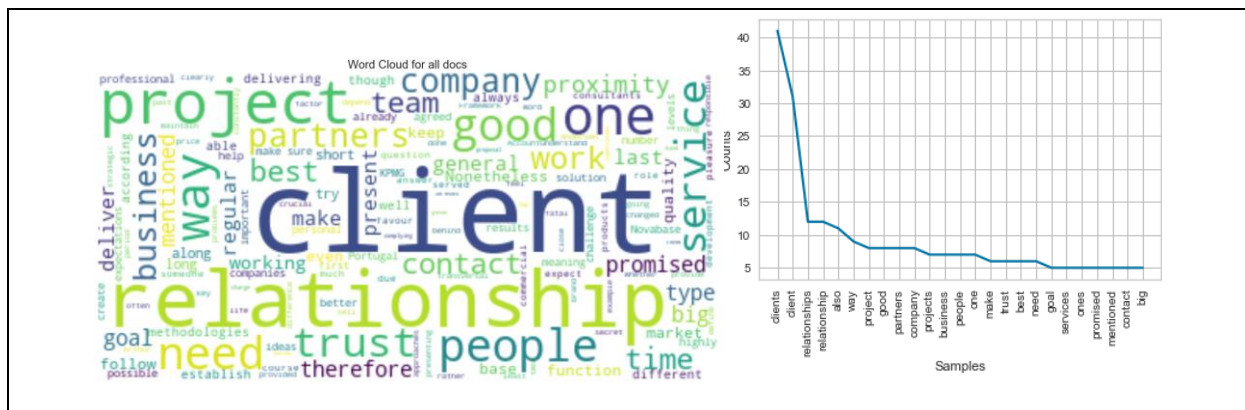Source: author's elaboration based on the interviews obtained
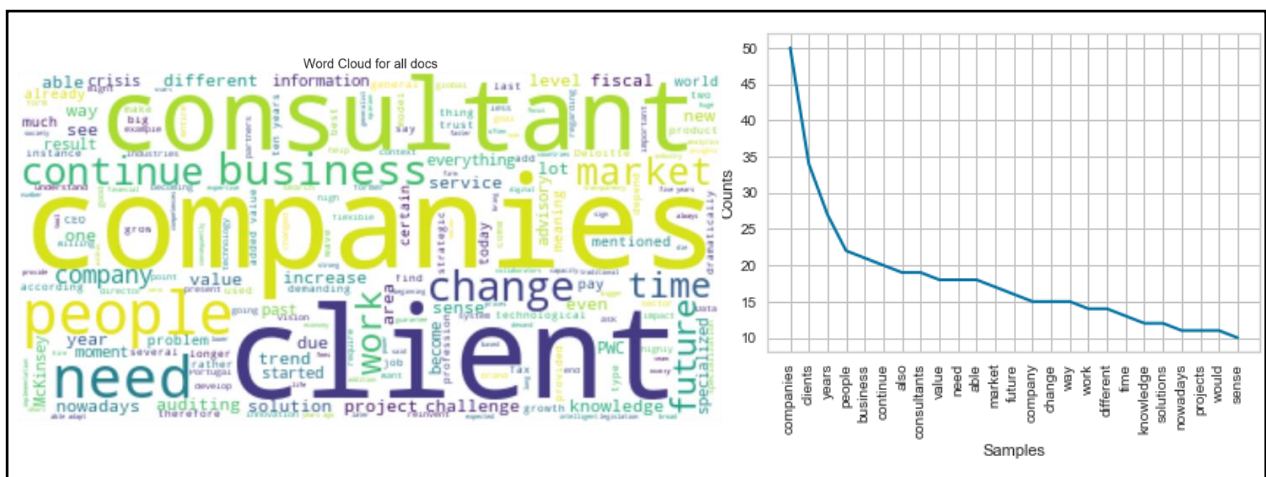
The result of the trigrams, Table 3, is coherent with the messages relayed, and that which stands out is the repetitive use of terms related to "adaptation", "reinvention" and "value presented to the clients". The participants of company MConsulting.C4 foresee a great need to adapt to a more consolidated market, through the absorption of competitors and from the consequent increase in market share. The industry is increasingly global; according to some of the participants from companies MConsulting.C1, MConsulting.C3, MConsulting.C6, MConsulting.C13, it will become a lot more specialised and less general. In this regard, the consultants will also become highly specialised and will take bigger risks, resulting in an increase of their variable component of compensation, an idea corroborated by companies MConsulting.C5, MConsulting.C12, MConsulting.C10 and MConsulting.C13.

The increase of ex-consultants in client companies will mean that more sophisticated, knowledgeable and more demanding clients will only turn to consulting companies when greater problem arise, as stated by companies MConsulting.C7, MConsulting.C9 and

MConsulting.C10. Companies MConsulting.C1 and MConsulting.C3 substantiate the mindset that will increase the necessity of the more integrated delivery of solutions where, besides skills, the component of implementation is implemented.

Interestingly, the word "methodologies" stands out; in the table of trigrams it appears to be related to what clients want and to the need for certification. It was mentioned by several participants that the capacity for adaptation and flexibility to keep track of new scenarios is critical; there is a need to reinvent certifications, procedures, techniques and presence in the industry. While two of the Big-Four mention the need to continue to stimulate their consultants as a way to face the future, companies more focused on technological consulting mention the development of new skills and products as a future necessity.

Table 24 Trigrams word frequency for management consulting - Future vision
Source: author's elaboration based on the interviews obtained

Id	Trigrams	Id	Trigrams
1	able adapt change	6	bring value clients
2	need reinvent become	7	clients usage methodologies
3	maybe ten years	8	usage methodologies certified
4	guarantee good results	9	increase internal knowledge
5	people bring value	10	internal knowledge clients

As far as the nature of the projects is concerned, company MConsulting.C1 believes that strategic boutique projects will be even more multifaceted, multi-geographical and multifunctional. It is estimated that their duration is growing due to the their more complex characteristics. However, this idea contrasts with the majority of the companies, who state that the projects will have to be increasingly shorter and effective, and very agile, because the clients want to make an immediate impact. It is also expected, something that is mentioned by companies MConsulting.C1, MConsulting.C2 MConsulting.C3, MConsulting.C8, MConsulting.C10 and MConsulting.C11, that the consulting industry helps in an immersion or growth of partnership models at the moment of delivery, either with partners or with client teams, whereby the assumed risk of the final product is shared.

In the following table, Table 25, it is possible analyse the main outputs taken from each company.

Table 25 Management consulting main outputs – Future Vision
Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Future Vision
MConsulting.C1	- it will become a lot more specialised and less general - necessity of the more integrated delivery of solutions - strategic boutique projects will be even more multifaceted, multi-geographical and multifunctional - the projects will have to be increasingly shorter and effective, and very agile, because the clients want to make an immediate impact
MConsulting.C2	the projects will have to be increasingly shorter and effective, and very agile, because the clients want to make an immediate impact
MConsulting.C3	- it will become a lot more specialised and less general - necessity of the more integrated delivery of solutions - the projects will have to be increasingly shorter and effective, and very agile, because the clients want to make an immediate impact
MConsulting.C4	the absorption of competitors and from the consequent increase in market share
MConsulting.C5	it will become a lot more specialised and less general
MConsulting.C6	it will become a lot more specialised and less general
MConsulting.C7	consulting companies only will be consulted when greater problem arise
MConsulting.C8	the projects will have to be increasingly shorter and effective, and very agile, because the clients want to make an immediate impact
MConsulting.C9	consulting companies only will be consulted when greater problem arise
MConsulting.C10	- the consultants will become highly specialised and will take bigger risks, resulting in an increase of their variable component of compensation - consulting companies only will be consulted when greater problem arise - the projects will have to be increasingly shorter and effective, and very agile, because the clients want to make an immediate impact
MConsulting.C11	the projects will have to be increasingly shorter and effective, and very agile, because the clients want to make an immediate impact
MConsulting.C12	it will become a lot more specialised and less general
MConsulting.C13	- it will become a lot more specialised and less general - the projects will have to be increasingly shorter and effective, and very agile, because the clients want to make an immediate impact

	– the consultants will become highly specialised and will take bigger risks, resulting in an increase of their variable component of compensation

4.2 Staffing companies

As mentioned above, the objective behind these interviews was to understand the way of working and business model of staffing companies, with some, or even the majority in Portugal called outsourcing companies, even if they do not supply this service.

4.2.1 Respondents and company profile

In the area of the companies interviewed, Table 26, 21% of the companies present in this research offer pure staffing services or temporary work, regardless of the area they work in. 60% of the companies provide exclusively TI services and 19% provide IT services, but also another range of services, whether it is through staffing, outsourcing, that is often also staffing, and/or other types of services (consulting, nearshore, R&D, training, and others.)

Table 26 Staffing companies interviewed

Source: author's elaboration based on the results of the interviews

Company ID	Services provided	Nº of interviews
Staff.C1	Labour recruitment, staffing and temporary work	2
Staff.C2	Staffing and temporary work	1
Staff.C3	Labour recruitment and provision of personnel	2
Staff.C4	Labor recruitment and personnel supply services	3
Staff.C5	IT Staffing	1
Staff.C6	Staffing, management consulting and IT Services	3
Staff.C7	Engineer, staffing, outsourcing, consulting, nearshore and R&D	1
Staff.C8	BPO and IT Outsourcing	1
Staff.C9	IT staffing, development and BI, nearshore	1
Staff.C10	IT staffing, nearshore, consulting	1
Staff.C11	IT staffing, development and BI, nearshore, R&D	1
Staff.C12	Staffing, consulting, nearshore and training	1
Staff.C13	IT staffing, outsourcing and consulting	2
Staff.C14	IT staffing, outsourcing and consulting	1
Staff.C15	IT nearshore, offshore, consulting.	1
Staff.C16	IT staffing and nearshoring	1
Staff.C17	Staffing, nearshore and consulting	1
Staff.C18	IT staffing, consulting and R&D	1
Staff.C19	IT BPO, staffing and consulting	1
	Total	**26**

4.2.2 Company

One of the objectives of the interviews was to understand how the staffing companies operate internally and how they differentiate themselves in the market, what are the biggest threats and weaknesses of the business, innovation strategies, orientation of the portfolio of services and also what are the differences when the business model also includes the consulting dimension.

4.2.2.1 Pain points and troubles

All of those interviewed were asked about the threats and pain points that are experienced in this type of business. An interesting point worth noting is that the majority of replies were given immediately and in a normal way, which theoretically increases their trustworthiness.

The scarcity of talent was the first reply from all of the companies from the first group, with the exception of one of the respondents from company Staff.C4. Besides this aspect, the companies Staff.C1and Staff.C4 pointed out that the subjects of GDPR and problems with web platforms and others are often a source of inefficiency, and they consider it a point of resistance. Company Staff.C3 also refers to technology as a problem of competition, indicating that *"technology means that work is easier for non-professionals and there are many people at home doing our work and earning money only because they use technology better"*. Company Staff.C1 also states that *"besides talent being scarce, clients are a lot more demanding and believe that the service is expensive and that candidates could be better"*.

The respondents from the companies more related to IT mentioned the existence of a great demand for IT professionals and other qualified resources. However, the companies do not possess them, or worse still, they do not exist yet in the Portuguese market, or exist in insufficient number. This opinion was vigorously debated by the respondents of companies Staff.C7, Staff.C13 and Staff.C10, who reveal that this gap heavily impacts business. Company Staff.C10 also states that due to this fact of a scarcity of talent, it is necessary to invest in the retention of talent in these types of businesses, a concern that has not always existed. Company Staff.C13 also states that in order to combat this problem, the company is working on projects to reskill people in order for them to gain IT knowledge.

The second most identified pain point by the participants was competition and the aggressiveness of the market. The participant from company Staff.C5 revealed that due to the previous point, the staffing and outsourcing market is buzzing and is very competitive, which demands substantial monitoring from the consultants. The participant from Staff.C11 shares the

same opinion and also mentions that managing such a business is difficult; aggressive efforts are made to employees who receive new job offers everyday and many are very tempting.

The partner interviewed from company Staff.C7 was one of those who clearly specified the lack of entry barriers for new competitors as a problem. According to him, the market is practically unregulated, which makes it fragmented, with different levels of requirements, culminating in unfair competition. This point is founded in, and is linked to new competitors. The participants mentioned that there are many new companies entering the staffing market, both national and international, because everything is facilitated and the initial investment required is relatively small when compared to other businesses. Added to this is the fact that some foreign companies, now present in Portugal, offer salaries that Portuguese companies cannot pay. According to staff from company Staff.C6, some of them are engaging in dumping in order to gain market share.

With regard to the difficulty of attracting, managing and retaining people, the respondents from company Staff.C18 again mentioned the turnover of staff as a problem in this type of business, saying that it is difficult for staff to create a bond and a relationship with the company and when speaking about new generations it is yet more difficult. The respondent from company Staff.C10 adds that it is more than a constant challenge. For the representative from company Staff.C12 this effort must be mutual; "*many employees do not have a career vision and show a lack of professionalism and ambition, the opposite of what the company is looking for*", i.e people willing to learn, with the humility necessary to grow.

Companies Staff.C13 and Staff.C14 consider the expression of differentiation as an acute pain point in the area of staffing and outsourcing. Those interviewed from the company Staff.C13 mentioned that it is difficult to prove to the client that there is differentiation and that companies are not all equal, a point reinforced by the respondent from Staff.C14, with the example that it is very difficult to display differentiation when the majority of employees or resources are also present in the databases of other competitors.

In companies Staff.C8 and Staff.C19, the lack of ability on the part of the client to create value through the utilisation of external resources was also highlighted. It starts when, within the organisation itself, the client does not have total power over external employees and is also unable to promise them a career. Therefore, there is no clear investment, nor an easy way to benchmark value. Added to this is the fact that there is no normalisation of processes and that it is very difficult for companies who provide the service to help in this mediation.

In the following table, Table 27, it is possible analyse the main outputs taken from each company.

Table 27 Staffing main outputs – Pain points and troubles

Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Pain points and troubles
Staff.C1	− scarcity of talent − *"clients are a lot more demanding and believe that the service is expensive and that candidates could be better"*
Staff.C2	− scarcity of talent
Staff.C3	− scarcity of talent − technology as a problem of competition
Staff.C4	− GDPR and problems with platforms that are often a source of inefficiency, and a point of resistance − scarcity of talent
Staff.C5	− a great demand for IT professionals and other qualified resources − the staffing and outsourcing market is buzzing and is very competitive, which demands substantial monitoring from the consultants
Staff.C6	− the staffing and outsourcing market is buzzing and is very competitive, which demands substantial monitoring from the consultants − some companies are engaging in dumping in order to gain market share
Staff.C7	− a great demand for IT professionals and other qualified resources − the lack of entry barriers for new competitors as a problem
Staff.C8	− a great demand for IT professionals and other qualified resources − the lack of ability on the part of the client to create value through the utilisation of external resources
Staff.C9	− scarcity of talent
Staff.C10	− a great demand for IT professionals and other qualified resources − it is necessary to invest in the retention of talent − the turnover of staff as a problem in this type of business
Staff.C11	− aggressive efforts are made to employees who receive new job offers everyday and many are very tempting
Staff.C12	− *"many employees do not have a career vision and show a lack of professionalism and ambition, the opposite of what the company is looking for"*
Staff.C13	− a great demand for IT professionals and other qualified resources − the company is working on projects to reskill people in order for them to gain IT knowledge − the expression of differentiation as an acute pain point
Staff.C14	− the expression of differentiation as an acute pain point
Staff.C15	− scarcity of talent
Staff.C16	− a great demand for IT professionals and other qualified resources
Staff.C17	− scarcity of talent

Staff.C18	– the turnover of staff as a problem in this type of business
Staff.C19	– the lack of ability on the part of the client to create value through the utilisation of external resources

4.2.2.2 Innovation in the service portfolio

In the face of the problems previously mentioned, the participants were asked to demonstrate how they are currently addressing the innovation of their service portfolio.

Companies Staff.C3 and Staff.C4 both began with the subject of employee branding. According to those interviewed from company Staff.C3, the greatest innovation must take place in the increase in reputation of an organisation as an employer and their value proposition for the worker, as opposed to their more general corporate reputation and the value proposition for their clients. The company Staff.C3 reinforces the priority, indicating that the company's trademark ideas are essential to the establishment of a strong and attractive employer. The same company, as with the first two companies on the list, also points to the need and constant importance of innovation in the face of competitiveness and, again, the lack of available "labour", indicating that it is no longer only a question of hiring "white collar workers", but that "blue collar workers" are no longer so easy to hire and convince as in the past. Company Staff.C1 also stated that the group invested a few millions over the last few years in recruitment marketing, automated recruitment tools and also social recruitment through social media platforms.

With regard to the other companies, namely in terms of investment in new areas of services or market niches, the respondent from company Staff.C5 mentioned that the company is innovating by creating new service areas, such as consulting and nearshoring. Company Staff.C10 mentioned innovation in terms of both new products and within the projects that they execute. The participant spoke of the opening of new technological areas, such as, for example, the development of software. In company Staff.C12, the respondent revealed that the company is constantly investing in new areas; proof of this is the recent creation of a laboratory. The participant from company Staff.C18 stated that innovation in services comes from investment in cutting edge niches, such as intelligent cities, but did not go into detail. Lastly, the participant from company Staff.C15 also mentioned that the company innovates with regard to the service portfolio, with the strategy of creating 8 centres of specialised competence, each one responsible for the execution of projects in a specific area.

Despite the subject of awareness of market trends, in terms of technologies, methodologies and needs of the client, the participants were quite vague regarding the details. In general, everything indicates that the companies are following trends and changes in the market closely and that it is the clients themselves who are seeking them, including technological innovations. In company Staff.C16 the participant gave the example of training of employees in agile and lean technologies since it is something that clients are increasingly asking for. In company Staff.C11 it was mentioned that these types of strategies are defined by the group at an international level and only afterwards are replicated in the country. The interviewee from company Staff.C13 associates innovation and general trends of service; the clients are increasingly asking for SLAs of a shorter response time and with more specific requirements. Furthermore, it was stated that technological platforms are necessary to monitor and give visibility to the clients.

In relation to the history of company and internal networks, the response was very normal; the international network and experience within the group are a great advantage to share needs and provide insights which can result, or not, in more clients and more contexts. The international presence of the company allows it to be in contact with a wide range of clients all over the world, who have different needs and with inherent types of solutions and projects. Companies Staff.C9 Staff.C14 mentions that one of the triggers for innovation comes from the clients themselves; the company only provides technological services that, typically, can be replicated for other clients.

The establishment of partnerships with companies and universities was mentioned several times. In company Staff.C6, it was mentioned that one of the strategies to innovate the service portfolio is to be present at university events in order to form partnerships to pick up the best talent and also validate what it is that students are seeking, calling this a strategy of staff centricity in order to be able to support the clients. Company Staff.C7 and company Staff.C8 conduct research and development with universities and startups, identifying new trends and practices in the staffing and outsourcing market. Company Staff.C7 invests a lot in research and development (along with universities and companies) which provides knowledge regarding the market and feeds the service portfolio, according to the participant. The company invests around 2 million euros per year in R&D in Portugal.

Lastly, innovation in the management of human resources was mentioned by companies Staff.C5, Staff.C17 and Staff.C18. In company Staff.C5, it was mentioned that innovation in the company takes place in the way that they manage their resources and clients. The

interviewees from company Staff.C18 and Staff.C19 mentioned that the company tries to innovate in the way that HR is managed, providing attractive projects to good clients, but mainly they manage them closely and keep a transparent relationship.

In the following table, Table 28, it is possible analyse the main outputs taken from each company.

Table 28 Staffing main outputs – Innovation in the service portfolio
Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Innovation in the service portfolio
Staff.C1	– the lack of available "labour" – the group invested a few millions over the last few years in recruitment marketing, automated recruitment tools and also social recruitment through social media platforms
Staff.C2	– the lack of available "labour"
Staff.C3	– employee branding, company's trademark ideas are essential to the establishment of a strong and attractive employer – the lack of available "labour". "blue collar workers" are no longer so easy to hire and convince as in the past
Staff.C4	– employee branding
Staff.C5	– creating new service areas, such as consulting and nearshoring – innovation in the management of human resources – innovation in the company takes place in the way that they manage their resources and clients
Staff.C6	– to be present at university events in order to form partnerships to pick up the best talent
Staff.C7	– conduct research and development with universities and startups – company invests around 2 million euros per year in R&D in Portugal
Staff.C8	– conduct research and development with universities and startups
Staff.C9	– the triggers for innovation comes from the clients themselves
Staff.C10	– opening of new technological areas, such as, for example, the development of software
Staff.C11	– strategies are defined by the group at an international level and only afterwards are replicated in the country
Staff.C12	– recent creation of a laboratory
Staff.C13	– technological platforms are necessary to monitor and give visibility to the clients
Staff.C14	– the triggers for innovation comes from the clients themselves – the company only provides technological services that, typically, can be replicated for other clients
Staff.C15	– creating 8 centres of specialised competence – following trends and changes in the market closely and that it is the clients themselves who are seeking them
Staff.C16	– training of employees in something that clients are increasingly asking for
Staff.C17	– innovation in the management of human resources

Staff.C18	– innovation in services comes from investment in cutting edge niches, such as intelligent cities – innovation in the management of human resources – innovate in the way that HR is managed
Staff.C19	– innovate in the way that HR is managed

4.2.2.3 Business model and competitive advantage

As previously stated, the main objective of this work is to understand how the business models of the companies present in this study make them sustainable in terms of efficiency and competitive advantage. With this in mind, a clear and direct question was made, "how is it that the company achieves competitive advantage through staffing? And what differentiates your current business model from those in place at other companies?"

The fact that many answers are vague and contradictory demanded some effort to try to get the respondents to go into detail, without influencing them. Since this is one of the most important questions, a detailed description per company will be presented, which does not follow any specific order or relevance.

Beginning with company Staff.C1, represented by two staff members, individually, both said that the value of the brand itself nationally and internationally was on its own a distinguishing factor. The experience and the confidence that they give the clients in being able to help with their needs is also one of their strong points. The employees highlighted advanced technology in order to connect with the company, as well as above average legal and financial departments that help employees with personal issues, something that is not yet available for all employees. Furthermore, company Staff.C2 begins by referring to the brand as a strong point. Many international clients, when they open branches in Portugal, come with a partner already in mind and it is easy because they know the way of working. According to the respondent, the company has a strong staffing component but uses part of their resources for outsourcing projects, for example call centres, which helps employees to lessen the probability of becoming unemployed. The investment in good quality and demanding indices are also factors that were mentioned.

With regard to company Staff.C3, interestingly the discourse was similar to company Staff.C1. Technology such as, for example, their own apps, allow at any time interaction between clients and employees. A very robust back-office helps in the business and provides a second layer of security to the employees that, for example, they will always receive their salary, something that is critical for many of them and which does happen in other, smaller companies. Company

Staff.C4 focuses on training its employees in addition to their professionalism when interacting with candidates and in interviews, creating a professional form of screening of candidates, normal at international level and something which has annual points of progression.

In company Staff.C5 the employee mentioned as distinctive factors remuneration and benefits, as well as transparency. It was also stated that more than money, employees seek closer and more effective guidance than is provided with contact with other company managers. Furthermore, an inclusive coaching program is being created for the integration of more junior staff members. In relation to company Staff.C6, the three participants have coherent replies; the company gains competitive advantage above all through history, relationship with the clients and above average flexibility. For example, if a client is in difficulties and needs someone "tomorrow", even if it is a partner, somebody will be there to help according to the needs required. The retention of talent is also pointed to as another factor; providing coaching, training, certificates and also the possibility of attaining higher positions, all this for employees who want and do it to further their career. Another distinguishing element is the fact that employees are encouraged to register opportunities and receive awards. This therefore serves as a trigger for the employees themselves who register and work opportunities. It was also mentioned by the respondent that, generally, in staffing companies, IT recruiters are obliged to carry out a certain number of recruitment interviews per week. In company Staff.C6, this does not happen, given that they do not look for candidates without an apparent need. Besides this, the participant mentioned that, as the company is a consulting and staffing company, the employees possess a range of skills which provides the client with more value.

The executive from company Staff.C7 mentioned that international experience and history are distinctive factors, as the company could have projects of great importance in which the employees can participate. It was also mentioned that the company gives many internal certifications and that clients recognise this, as well as recognising the capacity and agility of the company whenever they are set challenges. In company Staff.C8, there is a dissimilar response. The positioning of service is always with a view to something that can be measured and perceived as value by the client, not only cost. The risk can therefore be shared and assumed in totality by the company and distinguish the company from the other, existing realities in Portugal.

The responses collected from company Staff.C9 are more generic, despite all of them making sense. The company states that there is always someone to guide consultants, as well as a good marketing strategy. The company further highlights the professionalism of the recruitment

team, the financial models implemented and an office with an excellent atmosphere and good conditions. As with company Staff.C6, company Staff.C10 considers that training and certification of employees is a very good investment that gives results and is seen as distinctive. In company Staff.C11, differentiation takes place by way of flexibility and ability to respond to the clients as well as a healthy relationship with consultants. The interviewee from company Staff.C12 highlights some points as yet not mentioned, an example being that they do not work with subcontracted, temporary or freelance resources and do not allow the resources to work alone with clients. As a last point they also place importance on certification and training as a form of differentiation.

In company Staff.C13, represented by two interviewees, it was mentioned that belonging to a large and prestigious group of technology companies means that it is easier to capture talent, provide more career opportunities within the group and also help with vast know how. Another differentiating factor is, according to the report, the security that the company provides its employees and clients; not withdrawing people from a client and transferring them to another and fabricating an excuse. In company Staff.C14, where the core infrastructures provide another type of approach to differentiation that is mainly related to the know how that it possesses in different service areas, and the context of the company. There is a great focus per industry and only one business manager per client, which creates a relationship and focus.

According to company Staff.C15, differentiation takes place by way of technology, since they can replicate value for clients. Values and principles, as well as the experience of the consultants, is also considered a strong point. At company Staff.C16, and in contrast to company Staff.C13, there is an incentive to rotate projects, which means employees gain a different kind of experience, this being characterised as one of the biggest points of differentiation. The strong emphasis on training and certification is also a complementary aspect that distinguishes them, according to the respondent. With regard to company Staff.C17, the guidance of consultants and the culture of the company is also highlighted. Company Staff.C18 also mentioned a close relationship with the employees and also professional proactivity in the management of resources instead of reactivity. The participant representing company Staff.C19 mentioned that the definition of volumes, SLAs and quality delivery levels make all the difference.

In the following table, Table 29, it is possible analyse the main outputs taken from each company.

Table 29 Staffing main outputs – Business model and competitive advantage
Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Business model and competitive advantage
Staff.C1	− the value of the brand itself was on its own a distinguishing factor − advanced technology in order to connect with the company
Staff.C2	− brand as a strong point − many international clients − strong staffing component but uses part of their resources for outsourcing projects − investment in good quality and demanding indices
Staff.C3	− technology allow at any time interaction between clients and employees − a very robust back-office
Staff.C4	− training its employees in addition to their professionalism when interacting with candidates and in interviews
Staff.C5	− distinctive factors remuneration and benefits, as well as transparency − an inclusive coaching program
Staff.C6	− competitive advantage above all through history, relationship with the clients and above average flexibility − coaching, training, certificates and also the possibility of attaining higher positions − employees are encouraged to register opportunities and receive awards
Staff.C7	− international experience and history are distinctive factors − gives many internal certifications and that clients recognise
Staff.C8	− The positioning of service is always with a view to something that can be measured and perceived as value by the client, not only cost
Staff.C9	− there is always someone to guide consultants − professionalism of the recruitment team − the financial models implemented − an office with an excellent atmosphere and good conditions
Staff.C10	− training and certification of employees
Staff.C11	− flexibility and ability to respond to the clients − a healthy relationship with consultants
Staff.C12	− do not work with subcontracted, temporary or freelance resources − do not allow the resources to work alone with clients
Staff.C13	− provide more career opportunities within the group − not withdrawing people from a client and transferring them to another and fabricating an excuse
Staff.C14	− core infrastructures − great focus per industry − only one business manager per client
Staff.C15	− differentiation takes place by way of technology, since they can replicate value for clients − the experience of the consultants
Staff.C16	− incentive to rotate projects, which means employees gain a different kind of experience

	− training and certification
Staff.C17	− the guidance of consultants
	− the culture of the company
Staff.C18	− close relationship with the employees
	− proactivity in the management of resources instead of reactivity
Staff.C19	− SLAs and quality delivery levels

4.2.2.4 Staffing Vs management consulting business model

Over the course of the interviews, and since several companies mentioned the providing of consulting services as a complement, the interviewees were asked if, in their opinion, the revenue margin on staffing projects is greater or lesser when compared to consulting projects. In general, the participants stated that the margin on consulting projects is theoretically higher than on staffing projects. Practically all of those interviewed also mentioned that the margin for consulting is theoretically greater because the inherent risk is greater, and consequently, the margin must be greater.

However, while in consulting projects and resources are the responsibility of the supplying company, if something goes wrong (scope, time, cost, or quality) the final margin could decrease. Besides this, the participant from company Staff.C7 mentioned that the margin from staffing is less because the added value is also less. In company Staff.C8, it was stated that, in staffing models where the final results and risks are shared, the margin is very close to that of consulting companies. The participant from company Staff.C16 stated that the margin for staffing is less, since it is characterised by longer positions with lower budgets, while consulting projects have a shorter duration and are better remunerated, which is an inevitable reality, according to the participant.

Companies Staff.C1 and Staff.C3 indicate that they also perform consulting in the area of HR and confirm that it is a recruitment service area. One of those interviewed from company Staff.C3 states, however, that in terms of invoicing, the difference is abysmal and that without recruitment departments and temporary work, in other words, with only consulting, they would probably not be market leaders and could even no longer exist in the face of the competitiveness of the giant consulting companies; *"those companies that do everything"*.

In the following table, Table 30, it is possible analyse the main outputs taken from each company.

Table 30 Staffing main outputs – Staffing Vs management consulting business model
Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Staffing Vs management consulting business model
Staff.C1	– perform consulting in the area of HR
Staff.C2, C4, C5, C6, C9, C10, C11, C12, C13, C14, C15, C17, 18, 19	– the margin for consulting is theoretically greater because the inherent risk is greater, and consequently, the margin must be greater
Staff.C3	– perform consulting in the area of HR
Staff.C7	– the margin from staffing is less because the added value is also less
Staff.C8	– the margin is very close to that of consulting companies
Staff.C16	– the margin for staffing is less, since it is characterised by longer positions with lower budgets

4.2.3 Human resources and talent

This section will analyse and focus on "the employee" in terms of the recruitment process, the management of resources and, lastly, the retention of talents and resources.

4.2.3.1 Recruitment features and match with the client

The interviewees were asked to indicate which characteristics were most sought in the recruitment process and also what was the basis for that choice; market trends, client demands, or other options. One of the interesting aspects about these replies was the number of companies that stated that they hire good employees even without having a defined project. In this type of service it is uncommon, but was mentioned by respondents from companies Staff.C5, Staff.C9, Staff.C13, Staff.C15, Staff.C16 and Staff.C17.

The first four companies, more typical, purely transversal, staffing companies indicated in a normal and generic way that the client dictates all the requirements. Only company Staff.C2 was different, indicating that in the call centre market, the subject of soft skills is increasingly demanded and requires stress tests in interviews. One of those interviewed at company Staff.C4 states that the demand is related to time; the clients no longer have the patience to wait and if the candidate does not appear in the desired timeframe, the company is immediately placed on "the list of incompetents".

Another point that was relatively little spoken about reveals that companies Staff.C5, Staff.C9 and Staff.C12 refuse opportunities and projects from clients if they do match with the reality of

the company, or involves hiring someone very specific, or even if the client is prepared to hire them but the profile does not fit the requirements of the company.

Understanding the need, context and reality of the client was one of the points most mentioned as it is fundamental in order to deliver the best resource. This point was mentioned by companies Staff.C6, Staff.C8, Staff.C9, Staff.C10, Staff.C11, Staff.C19 and Staff.C17. Practically all of these companies and more, such as Staff.C12, Staff.C13, Staff.C14, Staff.C15 and Staff.C18 also stated that besides technical skills, they also look for soft skills such as the intellectual humility of the candidate and their willingness to learn and to be successful.

Companies Staff.C7, Staff.C10, Staff.C14 and Staff.C15 also revealed that they carry out proactive recruitment as they know exactly the type of profile that they need for the company and their clients. In this recruitment process, companies Staff.C7, Staff.C13 and Staff.C15 confirmed that the candidates perform tests, of both hard and soft skills and only according to the results will they proceed to interview with the client. One of the critical points for company Staff.C6 and Staff.C8 is the recruitment team having above average sensibility and experience, as is the case with company Staff.C8; they hire generic resources who subsequently receive training.

In the following table, Table 31, it is possible analyse the main outputs taken from each company.

Table 31 Staffing main outputs – Recruitment features and match with the client
Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Recruitment features and match with the client
Staff.C1	– client dictates all the requirements
Staff.C2	– client dictates all the requirements – soft skills is increasingly demanded and requires stress tests in interviews
Staff.C3	– client dictates all the requirements
Staff.C4	– client dictates all the requirements – if the candidate does not appear in the desired timeframe, the company is immediately placed on "the list of incompetents" by the client
Staff.C5	– hire good employees even without having a defined project – refuse opportunities and projects if they do match with the reality of the company
Staff.C6	– client dictates all the requirements – recruitment team having above average sensibility and experience
Staff.C7	– proactive recruitment – candidates perform tests, of both hard and soft skills and only according to the results will they proceed to interview with the client
Staff.C8	– client dictates all the requirements – recruitment team having above average sensibility and experience
Staff.C9	– client dictates all the requirements – hire good employees even without having a defined project – refuse opportunities and projects if they do match with the reality of the company
Staff.C10	– client dictates all the requirements – proactive recruitment
Staff.C11	– client dictates all the requirements
Staff.C12	– refuse opportunities and projects if they do match with the reality of the company – look for soft skills such as the intellectual humility of the candidate and their willingness to learn and to be successful
Staff.C13	– hire good employees even without having a defined project – look for soft skills such as the intellectual humility of the candidate and their willingness to learn and to be successful – candidates perform tests, of both hard and soft skills and only according to the results will they proceed to interview with the client
Staff.C14	– look for soft skills such as the intellectual humility of the candidate and their willingness to learn and to be successful – proactive recruitment
Staff.C15	– hire good employees even without having a defined project – look for soft skills such as the intellectual humility of the candidate and their willingness to learn and to be successful – proactive recruitment – candidates perform tests, of both hard and soft skills and only according to the results will they proceed to interview with the client
Staff.C16	– hire good employees even without having a defined project

Staff.C17	– client dictates all the requirements – hire good employees even without having a defined project
Staff.C18	– look for soft skills such as the intellectual humility of the candidate and their willingness to learn and to be successful
Staff.C19	– client dictates all the requirements

4.2.3.2 Investment in training

The present question was posed in order to study training models and processes in effect in staffing service supply companies. Further questions were asked regarding the responsibility of payment for training and certifications. Despite this question having been previously answered by some, it was concluded that all the companies consider training as something fundamental that they cannot do without. When asked if the process was the same for all employees, the replies were vague.

It is very clear that practically all the companies interviewed, with the exception of Staff.C1 and Staff.C2, possess and guarantee an annual training plan. This fact is stated by companies Staff.C3, Staff.C4, Staff.C5, Staff.C8, Staff.C9, Staff.C12, Staff.C15, Staff.C17, and Staff.C18. Company Staff.C13 also confirms this yet indicates that training must be very tailored; company Staff.C14 does not really have a plan but has a budget for each resource to invest in training, as is the case with company Staff.C19 that allocates a volume of monthly hours to each employee.

Besides technical skills, companies Staff. C4, Staff.C5, Staff.C12, Staff.C14, Staff.C16 and Staff.C11 place importance on the training of soft skills and certification. It is also so important to company Staff.C6 that their representatives indicate that those who gain certifications receive an increase in salary.

Training demands on the part of the client was also a theme that was often mentioned; company Staff.C5, Staff.C14 and Staff.C15 state that the client never pays for all of the training, but sometimes they contribute. Companies Staff.C8, Staff.C15 emphasise that they do pay, but if it something very specific, then the client must pay.

Much of this training does not require, or requires little, external investment, given that, as reported by companies Staff.C6, Staff.C17 and Staff.C18, training is often given by more experienced internal consultants. It is carried out after working hours, which means that the company continues to earn income because the consultants are with the client as much time as

possible. Company Staff.C7 confirms this scenario and also adds that they often use e-learning platforms or Skype where in-person sessions are not possible.

With regard to specificity of projects, there is training directed towards this area in the form of tools, methodologies and others, as mentioned by companies Staff.C3, Staff.C7, Staff.C10 and Staff.C15. Company Staff.C8, which continues to be an outlier, also offers external training such as MBAs, post graduation degrees and others.

In the following table, Table 32, it is possible analyse the main outputs taken from each company.

Table 32 Staffing main outputs – Investment in training
Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Investment in training
Staff.C1	– NA, only for support teams
Staff.C2	– NA, only for support teams
Staff.C3	– annual training plan – training directed for projects
Staff.C4	– annual training plan – training of soft skills and certification
Staff.C5	– annual training plan – training of soft skills and certification – training demands on the part of the client
Staff.C6	– tailoring training – Employees with new certifications receive an increase in salary – training is often given by more experienced internal consultants
Staff.C7	– training is often given by more experienced internal consultants often use e-learning platforms or Skype – training directed for projects
Staff.C8	– annual training plan – training demands on the part of the client – Company only pay necessary training, not specific training demanded by client – offers external training such as MBAs, post graduation degrees and others
Staff.C9	– annual training plan
Staff.C10	– training directed for projects
Staff.C11	– training of soft skills and certification
Staff.C12	– annual training plan – training of soft skills and certification
Staff.C13	– tailoring training
Staff.C14	– has a budget for each resource to invest in training – training of soft skills and certification – training demands on the part of the client
Staff.C15	– annual training plan

	–	training demands on the part of the client
	–	training directed for projects
Staff.C16	–	training of soft skills and certification
Staff.C17	–	annual training plan
	–	training is often given by more experienced internal consultants
Staff.C18	–	annual training plan
	–	training is often given by more experienced internal consultants
Staff.C19	–	allocates a volume of monthly hours to each employee

4.2.3.3 Retention strategies

Attracting, generating and retaining talent was mentioned as one of the biggest pain points in the staffing market by those interviewed. The question that was asked aims to examine the retention strategies of talent used in the companies.

According to company Staff.C1, it is very important that the resource is kept in the client company and does not leave. If they do, or they will not receive a hiring fee or will have to find a new resource for the position. As such, these days it is the recruitment and temporary work companies themselves who want to interact with the employees and with the client so as to evaluate and act in a such a way that the employee stays. Companies Staff.C2 and Staff.C4 give similar examples when they report that they hire an employee for a client company at the cost of one annual salary paid by the client company.

There is, however, a clause that if the employee resigns before 6 months, then they will have to look for another resource at no cost, meaning that the deal is not profitable. Due to this, there is a concern these days regarding encouraging the client to provide training and to create a career plan for the employee from the moment they arrive as a way of increasing the probability of their integration and to decrease the risks of their business. In this regard, company Staff.C1 emphasises that sometimes the recruitment agencies take on a role of guidance that is supposedly done by staffing agencies whereby the business model is slightly different and paid monthly. Company Staff.C3 stated that retention does not apply so much to this business, yet there are retention policies at the level of the loyalty of the candidates who, when they want to change jobs again, contact them despite this not always being ethical.

Without doubt the subject talked about as being the main "tool" for retention of resources is that of the closeness of the relationship. Company Staff.C5 states that, typically, people leave for salaries that are much higher than their present one. Final client proposals or proposals with very different services from them do not stop the competition. For staff retention, companies

Staff.C5, Staff.C6, Staff.C11, Staff.C14, Staff.C15, Staff.C16, Staff.C17 and Staff.C18 state that they follow very closely, and also have a close relationship with the consultants that are a result of informal moments and/or social events.

Company Staff.C5, apart from guidance, also highlights that sometimes, when they realise that the person is no longer making personal progress in that project, or that they are not content, rotate projects, in order to increase the motivation of the person, keeping them at the company. The rotation "method" is also used by companies Staff.C6, Staff.C8, Staff.C9, Staff.C14, Staff.C16, Staff.C17 and Staff.C18. Company Staff.C5 also conducts annual evaluation cycles where people are rewarded for their performance. The same was stated by companies Staff.C10, Staff.C11, Staff.C17 and Staff.C19. The existence of an extended training and certification catalogue so that employees can have a career with them was also stated by companies Staff.C5, Staff.C10, Staff.C14 and Staff.C15.

Company Staff.C7 believes that the retention of people by salary is not a good strategy. If the person does not like what they do and only stays for the salary, the productivity of that person is affected. Therefore, people must be constantly challenged and have a vision of career progression. It must be clear to people what is necessary to do in order to progress in the company. When this visibility is not present, people are going to look elsewhere. One of the measures that they implemented recently was to give all employees the chance to work abroad. Contrary to company Staff.C7, companies Staff.C8 and Staff.C13 believe in the importance of salaries, training and additional benefits (insurance for example) that make up the basic package that they offer the resources. The same was stated by company Staff.C11.

Company Staff.C12 gave a very complete answer, considering the majority of answers given. It was stated that an almost family type environment exists within the company; there is effectively a career plan; there is effectively a follow up; the managers are available to support the progression of people, to have a dialogue with the clients, to act in real time. Furthermore, project rotation is seen as very healthy; a lot of communication; a very transparent environment; having a permanent contract; investment in the career and training plan; career and salary revision every 12 months at the minimum; seeking projects that motivate people.

In the following table, Table 33, it is possible analyse the main outputs taken from each company.

Table 33 Staffing main outputs – Retention strategies
Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Retention strategies
Staff.C1	– the recruitment agencies take on a role of guidance that is supposedly done by staffing agencies whereby the business model is slightly different and paid monthly
Staff.C2	– hire an employee for a client company at the cost of 1 annual salary. if the employee resigns before 6 months, the deal is not profitable
Staff.C3	– retention does not apply so much to this business
Staff.C4	– hire an employee for a client company at the cost of 1 annual salary. if the employee resigns before 6 months, the deal is not profitable – encouraging the client to provide training and to create a career plan for the employee from the moment they arrive
Staff.C5	– people leave for salaries that are much higher than their present one – close relationship with the consultants – the rotation "method" – annual evaluation cycles – extended training and certification
Staff.C6	– close relationship with the consultants – the rotation "method"
Staff.C7	– retention of people by salary is not a good strategy – people must be constantly challenged and have a vision of career progression
Staff.C8	– the rotation "method" – believe in the importance of salaries, training and additional benefits (insurance for example)
Staff.C9	– the rotation "method"
Staff.C10	– annual evaluation cycles – extended training and certification
Staff.C11	– close relationship with the consultants – annual evaluation cycles – believe in the importance of salaries, training and additional benefits (insurance for example)
Staff.C12	– effectively a career plan – there is effectively a follow up – the managers are available to support the progression of people – project rotation – communication – a very transparent environment – having a permanent contract – investment in the career and training plan – career and salary revision every 12 months at the minimum – seeking projects that motivate people
Staff.C13	– believe in the importance of salaries, training and additional benefits (insurance for example)
Staff.C14	– close relationship with the consultants

	– the rotation "method"
	– extended training and certification
Staff.C15	– close relationship with the consultants
	– extended training and certification
Staff.C16	– close relationship with the consultants
	– the rotation "method"
Staff.C17	– close relationship with the consultants
	– the rotation "method"
	– annual evaluation cycles
Staff.C18	– close relationship with the consultants
	– the rotation "method"
Staff.C19	– annual evaluation cycles

4.2.4 Client management

This group of questions aimed to analyse and study how the staffing and outsourcing companies presented in this study manage their relationships with clients.

4.2.4.1 Internalisation of resources by the buyer

The internalisation of resources by clients in the staffing business, as mentioned by (Lopes and Chambel, 2014) can be a problem for some companies. In this regard, the present question analyses this scenario and the prevention strategies and response used. Participants were asked what strategies the company uses when the client 'steals' its resources. The answers to this question were less vague when compared to previous answers, which shows that the issue is recurrent and is discussed within the companies.

The results obtained, Figure 39, demonstrate that in 62% of the companies this situation happens occasionally, in 31% of the companies it is very common, and in only 7% of cases it is uncommon. The meaning of 'occasionally' and 'common' are yet to be defined.

Figure 39 Resources internalisation by the buyer Chart
Source: author's elaboration based on the results of the interviews
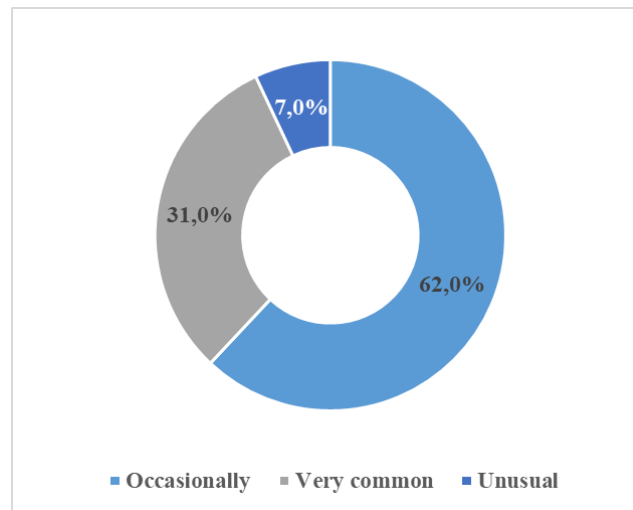
The first four companies, more typical of pure transversal staffing and temporary work, revealed that, in general, this subject happens quite often, but they are protected with contractual clauses typical of this type of work. Company Staff.C1 states that in temporary work this point of view is seen as a plus for employees, given that they are normally given a more "secure" employment contract, with this an example used during the interview and hiring process. It is also worth highlighting that companies Staff.C2, Staff.C3 and Staff.C4 stated that sometimes it is the companies themselves who encourage clients to hire resources, given that they do not have anywhere to place them and would otherwise be unemployed.

Company Staff.C5 begins by stating that it expects this not to happen. The reality is that it is very common and the tendency is increasing. Sometimes, they only want the person if they can be internalised after some time has passed. Company Staff.C5 avoids this to the utmost, and typically rejects or tries to negotiate this only from a specific moment, or through the payment of an annual fee. Another form of protection is a declaration whereby the consultant declares that the resource cannot transfer to the client company, and the company cannot keep the consultant. However, in general, there is no interest in bringing lawsuits against the client. Currently, clients turn to these staffing companies to "take advantage" of them for recruitment. Companies Staff.C6, staff.C9 and Staff.C13 share the same opinion and further add that companies hire this service instead of pure recruitment because in this way they can experiment, and it might even be free. For company Staff.C9, the client company internalising an employee is not a problem providing there was a previous agreement at the beginning of the contract; it

is normal that the client mentions that they would like to internalise the resource at the very beginning.

Company Staff.C10 states that these types of situations take place, but only occasionally. It is something that they try to control, but they consider that it is a demonstration that they have done a good job. They also reveal that strategies exist to prevent this from happening, such as clauses in the contract. They also state that there is a minimum period during which no internalisation can take place. If, after this period, the consultant wants to stay, they respect the decision and do not raise objections.

Company Staff.C11 states that "stealing" and attempting this in a furtive manner used to happen a few years ago, but now it is stated in the contract established with the client: a minimum period of a year. The company is against this policy of "stealing" and only accepts it from clients who are crucial to the future of their company, as the objective of their company is to grow. They also reveal that when this happens they try to negotiate in order to not lose the position. Employees of company Staff.C13 give the example that in the region of Porto it is rare that at the end of the year, the client does not want to internalise the person. Whenever this happens they use the tactic of trying to replace them with somebody else, extending the time until hiring, and if they realise that it is a regular practice, they start charging a fee.

In company Staff.C14, the intention of future hiring from the beginning is common and they come to an "agreement" whereby they establish a time limit for this to happen. However, this only happens if the consulting company agrees with the decision. Company Staff.C15 states that it happens sometimes and the client usually mentions this at the very beginning of the project. Each time they try to avoid this, because they want to retain people, but they evaluate this on a case to case basis. The person only goes to the client if they are in agreement. Company Staff.C16 hints that this is common and that the majority of those who leave the company, leave for this reason. It is not easy to manage. The client, in the majority of cases, speaks to the consultants and offers better conditions without first speaking to the company. Company will lose employee to the client. For company Staff.C17 it is not new.

Contracts with clients can, or not, contain the intention of hiring, and normally, under the timeframe of a year is not possible. In 3 years, there was not any internalisation that was not expected or that was not part of the contract. It is also mentioned that when somebody wants to go, there is little they can do. If the person is not very happy and only wants to go because of better financial conditions, then they secure the person with a counter offer. There are cases in

which people decline the client's offer and continue to work in the same company on a staffing basis for the company.

Some other companies gave different responses, something which is not frequent, or is even considered positive. Company Staff.C8 revealed something more explicit and surprising, at least for the areas of this study. This company states that it is normal for this to happen and is actually a scenario encouraged by the company itself. According to internal statistics, out of 100% of resources that enter the company, only a maximum of 30% end there career there. A company of this size often serves as an accelerator of career development that can later be utilised in the external market. The interviewee states that they prefer the resource to switch to the client than to a competitor.

In the opinion of the participant from company Staff.C12, there are very rare exceptions where partners can invite consultants to switch to another company, but this is negotiated at the beginning and it is up to the person to decide; there is never a "theft". The company has mechanisms from the legal point of view that do not permit this, at least for a certain period. However, they confess that there are always exceptional situations. According to the history of company Staff.C18, it only happens when both parties agree. The company presupposes that this transaction does not exist, but there are exceptions depending on the relationship with clients and the opportunity it presents for the person. There are clients who are interested in a future transaction. When this happens, there is usually compensation involved for the internalisation, and the position is maintained, substituting the opportunity or person. The interviewee from company Staff.C7 states that it is not very frequent but it happens. Normally these situations are considered on a case by case basis, although they do not have a specific strategy. Finally, company Staff.C19 usually views the event in a positive light. However, it is indicated that for the good of the relationship, an employee is never approached by the client without the company's previous authorisation.

In the following table, Table 34, it is possible analyse the main outputs taken from each company.

Table 34 Staffing main outputs – Internalisation of Resources by the buyer.
Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Internalisation of Resources by the buyer
Staff.C1	– protected with contractual clauses typical of this type of work
Staff.C2	– protected with contractual clauses typical of this type of work – sometimes it is the companies themselves who encourage clients to hire resources
Staff.C3	– protected with contractual clauses typical of this type of work – sometimes it is the companies themselves who encourage clients to hire resources
Staff.C4	– protected with contractual clauses typical of this type of work – sometimes it is the companies themselves who encourage clients to hire resources
Staff.C5	– it is very common and the tendency is increasing – typically rejects or tries to negotiate this only from a specific moment, or through the payment of an annual fee – declaration whereby the consultant declares that the resource cannot transfer to the client company – there is no interest in bringing lawsuits against the client
Staff.C6	– companies hire this service instead of pure recruitment because in this way they can experiment, and it might even be free
Staff.C7	–
Staff.C8	– it is normal for this to happen and is actually a scenario encouraged by the company itself – prefer the resource to switch to the client than to a competitor.
Staff.C9	– companies hire this service instead of pure recruitment because in this way they can experiment, and it might even be free – is not a problem if there was a previous agreement at the beginning of the contract
Staff.C10	– situations take place, but only occasionally – clauses in the contract with a minimum period during which no internalisation can take place
Staff.C11	– clauses in the contract with a minimum period of a year – against this policy of "stealing" and only accepts it from clients who are crucial to the future of their company
Staff.C12	– protected with contractual clauses
Staff.C13	– companies hire this service instead of pure recruitment because in this way they can experiment, and it might even be free – tactic of trying to replace them with somebody else, extending the time until hiring
Staff.C14	– "agreement" whereby they establish a time limit for this to happen
Staff.C15	– evaluate this on a case to case basis – the person only goes to the client if they are in agreement
Staff.C16	– this is common and that the majority of those who leave the company, leave for this reason – The client, in the majority of cases, speaks to the consultants without first speaking to the company

Staff.C17	– it is not new – contracts with clients can, or not, contain the intention of hiring – counter offer
Staff.C18	– it only happens when both parties agree – compensation involved for the internalisation, and the position is maintained, substituting the opportunity or person
Staff.C19	– usually views the event in a positive light – for the good of the relationship, an employee is never approached by the client without the company's previous authorisation

4.2.4.2 Business development

The interviews also attempted to draw some conclusions from the study regarding the main practices considered relevant by the companies in order to gain opportunities. The replies were, in general, too "obvious" and basic, although there are some points worthy of highlight.

Company Staff.C5, as with companies Staff.C1, Staff.C2, Staff.C3, Staff.C4 and Staff.C6 claimed to be proactive in meeting with clients, with commercial prospecting carried out when there is already a base, or it could be done via cold contact. After positive feedback, the commercial teams from these companies go to the client, present their services, take the opportunity and then make an offer. Training for sales reps at company Staff.C5 helps them to present the company at meetings, carry out a needs evaluation, and how to meet those needs.

Company Staff.C7 is quite pragmatic, *"Available resources at the right time"*. Given the scarcity of resources, those who have resources have the competitive advantage and have the total advantage to win the business. This is also the conclusion made by company Staff.C13. for company Staff.C16 the most important thing is to have the best person at the best price. It is necessary to find somebody who adapts, and not take someone who stands out, neither in a positive nor negative way, and who can't adapt. Commercial effort is very low, they have more recurring clients or clients come from recommendations by other clients.

Proactivity is one of the most used words; company Staff.C11 states that being proactive in looking for client needs and providing the best solution. The company's experience reveals that having the best solution, in this case the resource, even if higher fees are charged, typically closes the deal. This is also due to the fact that the quality of the people is very high. There is a very demanding recruitment process in place and they prepare the consultants very well. This is the image that characterises the company in the market and facilitates sales.

Company Staff.C18 states that professionalism, attention to detail, transparency and honesty are key. Honesty, when it is necessary to communicate that they do not have an adequate solution. The company also tries to always be prepared and works in a proactive way, i.e, continuous and regular hiring and recruitment, which allows them to have people available for project that arise. They cannot be reactive to a need that arises because this will take too long. It was also added that they have a very thorough knowledge of the market and of the reality of the country.

According to the interviewee, company Staff.C8 tries to be proactive in the identification of the problems that the client might have and present an idea at that stage. They also sometimes respond to tender specifications, but tend to be proactive in the identification of what could interest the client. After the identification of that opportunity, they try to make very clear the value that they will deliver. They try not to make the discussion about the cost of the service, but instead it is centred around the added value provided.

For company Staff.C9 there is no single secret, simply recruit well and respond quickly and assertively. They also consider that transparency throughout the process, between all parties involved, is critical and essential. Company Staff.C10 believes that it is important to have a good perception of the market and of the needs of the client. It is crucial to be well prepared and to have studied the client, and what they do, well before meeting with them. In 90% of cases it is the company that goes to meet with the clients in a proactive way. For company Staff.C12, the success of closing deals is dependent on a number of factors: honest work, promptness and of high quality. If they do not have the requisite skills or availability, they say at the time. Prompt replies, honesty and transparency are the ways to build trust.

In company Staff.C14 a differentiating factor is to always be aware of what is happening in the client company and to keep up with market news and trends. Another differentiating factor is the relationship that is created with the client, to have a quick and assertive ability to respond, which creates a relationship of trust. The interviewee stated again that each manager has a set of clients attributed to them, and those clients cannot be approached by other managers from the company.

For company Staff.C15, everything comes down to pragmatism and assertiveness, understanding exactly what the client needs and presenting a solution that adds value and is what the client is seeking. Contrary to the other companies, they reveal that increasingly, it is the clients that are approaching the company, and not the other way around. Swiftness and

assertiveness are the two most important points in the closing of a deal; this is how company Staff.C17 responds to this situation. According to the participant, being quick avoids the person being approached by other consultants. It is demonstrated to the client assertively that the need has been understood and will be answered in the best way. For each opportunity they send 3 people at the maximum; it does not make sense to send 10 curriculums to the client, since the client does not want to do this work. Company Staff.C19 stated that, currently, price is their only distinguishing factor.

In the following table, Table 35, it is possible analyse the main outputs taken from each company.

Table 35 Staffing main outputs – Business Development
Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Business Development
Staff.C1	– proactive in meeting with clients, with commercial prospecting
Staff.C2	
Staff.C3	
Staff.C4	
Staff.C5	– proactive in meeting with clients, with commercial prospecting – training for sales reps at company
Staff.C6	– proactive in meeting with clients, with commercial prospecting
Staff.C7	– *"available resources at the right time"*
Staff.C8	– proactive in the identification of the problems that the client might have
Staff.C9	– recruit well and respond quickly and assertively – transparency throughout the process
Staff.C10	– good perception of the market and of the needs of the client – meet with the clients in a proactive way
Staff.C11	– proactive in looking for client needs – having the best resource, even if higher fees are charged, typically closes the deal – prepare the consultants very well for demand
Staff.C12	– honest work, promptness and of high quality
Staff.C13	– *"available resources at the right time"*
Staff.C14	– be aware of what is happening in the client company – the relationship with the client
Staff.C15	– understanding exactly what the client needs and presenting a solution that adds value and is what the client is seeking – it is the clients that are approaching the company
Staff.C16	– the most important thing is to have the best person at the best price – is necessary to find somebody who adapts

	– commercial effort is very low
Staff.C17	– demonstrated to the client assertively that the need has been understood and will be answered in the best way
Staff.C18	– professionalism, attention to detail, transparency and honesty are key – be prepared and works in a proactive way – for each opportunity they send 3 people at the maximum
Staff.C19	– currently, price is their only distinguishing factor

4.2.4.3 Relationships

The issue of "Vendor-buyer relationship" intends to look at how companies position themselves and strengthen relationships with clients. From the answers it is possible to see that practically all of the participants stated that the relationship with the client is crucial and that it must be one of closeness, communication and transparency. However, not all have a defined process given that no client or relationship is the same.

For company Staff.C1, "*the relationship is very important*", not only because there is a contract in effect, but also as a way of forecasting needs. When a client needs a resource, they want it "yesterday", and if we contact them frequently, sometimes it is easier to understand their needs. It is also stated, as mentioned by Staff.C3, that in recruitment, the relationship must be one of extreme trust and closeness since the secret is to know the client well enough to know which aspects need to be addressed. Company Staff.C2, as with company Staff.C7, states that they have managers and/or team leaders attributed to teams that coordinate the teams in the field and are therefore closer to the client. More formal contact is carried out every week. Company Staff.C4 reveals that the relationship is always the focus, but that technologies and ease of communication (not in person) does not help and make maintaining a close relationship more difficult.

Company Staff.C5 states that it is not an easy matter to deal with and much depends on the companies and interlocutors, an opinion shared by company Staff.C19. Company Staff.C5 tries to work very closely with the client, including monthly or quarterly status report meetings, and sometimes even lunches with the client. The client gives feedback regarding people, and for the annual evaluation the client gives formal feedback. The interviewee also emphasises that constant contact is very important in order to maintain the relationship and to potentially win new projects. The interlocutors from company Staff.C6 agree that it is not easy to define a process and that it does depend on the supplier. It is a constant concern to keep the relationship active. One of the consultants interviewed, states that there is nothing more important than

receiving constant feedback in a timely fashion from projects or from people's work, and not only when there is a serious problem. Other interviewees from the same company also revealed that, for example, in Public Administration, this contact is not easy because the service is, in general, shorter and clients make a point of keeping a greater distance. In general, the secret is the adaptation to each type of interlocutor, meeting, sms, email; it always depends.

Company Staff.C8 has a principle of making very clear what the rules of the game are from the beginning. They make it very clear when they are going to deliver a certain result, manage expectations well in relation to the scope of the results, clarify the rules in order to resolve conflict, try to guarantee transparency, hold periodic meeting with the client in order to explain what they are doing and what problems are taking place in the delivery of the service. For this company, the subject of relationships can never be a problem. When they realise that they cannot deliver that which was expected, they try to resolve these issues in a way that minimises the negative impacts for both sides.

Company Staff.C9, according to the interviewee, states that it all comes down to an exemplary professional relationship. An open line for both good and bad, that is the transparent relationship that they are trying to cultivate. Both parties are sincere and transparent and take the necessary action to resolve the situation and encourage the client to participate in the evaluation of the consultant. The interlocutor from Staff.C10 shares the same opinion that the relationship must be one of transparency and constant communication. They try to exchange feedback very often and the client also contributes to the evaluation of the consultant. Furthermore, there are formal status reports.

For company Staff.C11 it is always necessary to be known as having a very close relationship. The consultant interviewed reveals that *"business is done by people"*, and only with human relationships can they maintain a good relationship with staff and make the client trust the company. In terms of processes, there are formal status reports, visits to the clients, quality assessments of the service provided, of the consultant and of the company itself. There are a series of formal and informal processes with the client. Company Staff.C12 states again that they want to be partners and not suppliers. They work in conjunction and build relationships over the long term and therefore the relationship with the client must be constant.

Companies Staff.C13, Staff.C14 and Staff.C18 define a strategy of guidance meetings with the consultants, which facilitates contact with the client, since the latter are also involved in the evaluation of the consultants. Other interviewees emphasise that it is not always easy and that

some clients are more difficult to "catch", but flexibility and adaptation help. Company Staff.C15 reveals that they are very close to the clients, something they consider fundamental in order to create opportunities. Proximity to the client generates a lot of synergies. There are also frequent, formal status reports.

In contrast to the other interviewed, company Staff.C16, reveals that there is no process and everything is very informal. For example, there are no formal status reports, only in cases that require a lot of attention. Emails are sent and telephone calls are made punctually, but the best sales representatives are the consultants who are present in the company, and by way of this close relationship, it is actually them who identify opportunities. Company Staff.C17 reveals that awards that they have won recently for best supplier is proof that the guidance is recognised. It means that the clients who evaluated the relationship gave a very good score. They try to guarantee close guidance of the consultant and check performance regularly, along with the client, as already stated by other companies.

In the following table, Table 36, it is possible analyse the main outputs taken from each company.

Table 36 Staffing main outputs – Relationships

Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Relationships
Staff.C1	− *"the relationship is very important"* − contact client frequently
Staff.C2	− have managers and/or team leaders attributed to teams that coordinate the teams in the field and are therefore closer to the client
Staff.C3	− secret is to know the client well enough to know which aspects need to be addressed
Staff.C4	− relationship is always the focus − ease of communication (not in person) does not help and make maintaining a close relationship more difficult
Staff.C5	− it is not an easy matter to deal with and much depends on the companies and interlocutors − work very closely with the client
Staff.C6	− it is not easy to define a process and that it does depend on the supplier − it is a constant concern to keep the relationship active − receiving constant feedback in a timely fashion from projects or from people's work − the secret is the adaptation to each type of interlocutor, meeting, sms, email; it always depends
Staff.C7	− have managers and/or team leaders attributed to teams that coordinate the teams in the field and are therefore closer to the client
Staff.C8	− making very clear what the rules of the game are from the beginning − the subject of relationships can never be a problem
Staff.C9	− an open line for both good and bad, that is the transparent relationship that they are trying to cultivate
Staff.C10	− relationship must be one of transparency and constant communication
Staff.C11	− having a very close relationship − there are formal status reports, visits to the clients, quality assessments of the service provided
Staff.C12	− want to be partners and not suppliers
Staff.C13	− strategy of guidance meetings with the consultants, which facilitates contact with the client
Staff.C14	− strategy of guidance meetings with the consultants, which facilitates contact with the client
Staff.C15	− proximity to the client generates a lot of synergies
Staff.C16	− there is no process and everything is very informal − are the consultants who represent the company
Staff.C17	− guarantee close guidance of the consultant and check performance regularly, along with the client
Staff.C18	− strategy of guidance meetings with the consultants, which facilitates contact with the client
Staff.C19	− it is not an easy matter to deal with and much depends on the companies and interlocutors

4.2.5 Future Vision

The final interview question was made to understand the point of view of those questioned regarding that which could be the future and the trends of staffing. Staffing context and their own company over the next 5-10 years. In general, everybody agrees that the market is going to continue to grow, but there are some who believe that the level of competitiveness could, or will make the business model unsustainable. Some of the companies were more skeptical with regard to change, which is the case in general for staffing and temporary work companies, as well as two of the staffing companies specialising in IT, companies Staff.C9 and Staff.C12.

Companies Staff.C1 and Staff.C3 do not have great hopes for the future with regard to change, although they state that themes of engagement with employees need to be refined, more than a brand and salary it is necessary to guarantee trust, integrity and bidirectional communication between company and staff. The two interviewees from company Staff.C3, believe that it is the new generations who will define how the future will be. An adequate salary is important, but preference is given to a collaborative workplace, mental and emotional well-being, career possibility, company stability and positive human relationships. The interviewee from Staff.C2 believes strongly in change, namely digital change. In their opinion, the strategies that human resources and temporary work companies use to recruit staff and make them loyal to the company are changing, for example, with artificial intelligence. This technology could make the difference, above all, in pre-selection activities, with automised, semantic analysis of curriculums and profiles in a data bank, and in interviews, with virtual, digital questionnaires. Company Staff.C4 shares the same opinion with regard to digital innovation, stating that the way we look for work is changing and automation will involve companies recruiting with the use of machines in the near future. It is also emphasised that "blind" recruitment, which attempts to guarantee anonymity and objectivity in HR processes, excluding discriminatory factors such as age, sex, race and training, will become increasingly common.

Company Staff.C9, contrary to those mentioned above, believe that little will change. While there are benefits for all parties, the model will continue. With regard to the company, they want to invest more in consulting. They want to provide staffing with more added value, that the market these days does not recognise. They increasingly want to be seen as a consulting company. According to the respondent from Staff.C11, and in agreement with the respondent from Staff.C9, things are not going to change very much. There is also the factor of bigger growth in Portugal, especially with regard to bigger companies, who continue to come to Portugal. This scenario could bring saturation to the market and maybe influence the way of

doing business. From Portugal to other countries will depend a lot on the evolution of European Union laws.

There might be variations of the type of supply typical of staffing, that are variations of time & materials contracts, with teams becoming a mixed model of project and staffing. The company itself has ambitions of being one of the largest in Portugal with product areas. What they foresee in the coming years is that they will increasingly use the experience and aggregated experience that they have and will start to create more product areas and more specific offers in niche markets.

The other companies introduce different perspectives regarding the way that they see the future, something that serves to enrich the analysis. In this regard, the respondent from company Staff.C5 begins by saying that staffing is, and will be, a trend; the market is very competitive and the demand is enormous. Staffing will continue to be a huge necessity for companies, due to the ability to respond to areas lacking know how, spikes in work and companies that are unable to increase their headcount. On the other hand, staffing will be seen as a form of "financing" (payment only in 60 days, when often the work has already been done) and even recruitment. They also think that there will be a refining and filtering of companies. Regarding the company, they hope that it will not depend so much on staffing and will invest in other services, such as consulting. Staffing is good for the rapid growth of a company in the short term, but in the medium and long term, growth is very difficult. What will allow for growth will be investment in other services apart from staffing.

The respondents from Staff.C6 agree. Competition will increase and more players will arrive on the scene, many because partners become dissatisfied and take part of their consulting team and clients and set up shop next door, creating further division and competition in the market. In order to survive, companies will have to think of ways to adapt and change, such as, for example having a team with the client, sold as staffing, so that they can be coordinated by a manager and allow the client to work as a project.

From the interview with the representative from Staff.C7, it can be concluded that many changes will occur because new players will arrive on the scene. As is the case with banks and the appearance of fintech, and taxis with the appearance of Uber, staffing will also undergo a revolution. The client will increasingly buy an output, and not the resource itself. What the client wants is a deliverable; they want someone who is capable of executing the project with the desired speed and quality. The respondent also says that, in the case of IT, and in the context

of globalisation, the client can send the requirements to anybody, possibly somebody who could be far away and will develop the component and deliver it. This is something that will not be possible for everything, but for tasks of less value, it will be possible. Staffing has been undergoing a process of transformation whereby the client has to communicate what level of service they want for a given project or service, and the company takes care of the rest. The respondent concluded by revealing that, in their opinion, growth will slow down a little but will continue to exist. Companies cannot grow only in terms of people, but also in value. As for the company, they aim to be increasingly recognised not only for staffing but also for developing innovate solutions and being able to perform outsourcing processes in an industrialised and optimised way so that clients pay for the value acquired and not the service.

The participant from company Staff.C8, who actually works in outsourcing, considers that the level of uncertainty will grow ever larger. There is increasing difficulty to guarantee a contract with a client who ends up doing what they were doing at the beginning. The subject of Outsourcing contracts with a client will have to become increasingly automated and flexible and increasingly committed to the client so that when things go well, results are shared and when things go badly the risks are also shared. There must be increasing flexibility and sharing of risks and results in order to face the uncertainty that exists.

The company sees itself in the future as being more of a partner to the clients than a supplier. They must proactively have an attitude, along with the client that positions them as partners, ie, companies are increasingly looking for entrepreneurial people who feel the pain and problems of the client and go home thinking of how to help them, and they will proactively discuss with the client what can be done. For this company, this comes down to what must be a true partnership, where they might even explore new business opportunities with the client. They see themselves as part of the client's value chain.

According to the participant from company Staff.C10, the company considers that staffing will grow. It will increasingly become a trend given that many companies depend on staffing in order to survive. With regard to the company, the interviewee believes that there will be growth in terms of people and business, both in outsourcing and consulting. The participant from company Staff.C12 envisions the company creating other business models; expansion into Europe; consolidating the Portugal market; and creating other areas of innovation such as gamification. As for the future of the area and of the company, they indicate that few companies carry out the staffing model with the desired quality. Besides this, they give the opportunity of financing to the clients and thus, things will naturally change. Many employees who work in

staffing today will become freelance and have more mobility, primarily in the area of IT and in some areas of management.

Those interviewed from company Staff.C13, presented their different perspectives. For one interviewee people's purest and hardest business will tend to become more digital and therefore more platforms will appear, which will make staffing even more transactional or, in other words, a more digital relationship. The other participant reveals that there will be some proposals in which not only the person is made available, but the person and the achievement of certain objectives, such as, for example, packages consisting of "ability" instead of only people. For the model to work, clients must ask for hours and not people, with the company later allocating the necessary profiles.

For company Staff.C14, staffing will continue to be a trend; the market is too competitive to stop and the demand is enormous. Staffing will continue to be a huge necessity for companies, due to the rapid solutions that they provide. A "filter" for staffing companies will be necessary and surviving companies will need to constantly innovate their business model and service portfolio, or, in other words, they will have to reinvent themselves. With regard to the company, they believe that it will increasingly grow abroad and also nationally in various, existing service areas.

According to the interviewee, and through feedback from the group to which company Staff.C15 belongs, staffing will always exist; companies are increasingly creative and the models tend to undergo some alterations. In the company, there are already strategies being created with regard to how to manage people who are with the clients, and not the client managing the people, as is currently the case. The company is going to position itself to grow and create opportunities in order for people to also grow.

Company Staff.C16 strongly believes that this model is not sustainable. The companies, on the one hand, do not want to hire people internally, yet on the other hand the consultants are increasingly aware of the rates and think that the staffing companies want to take advantage of them. As a result of this, rates and salaries are becoming ever higher and thus will cease to be sustainable. Due to this, the company is going to invest more in nearshoring. Their idea is to create staffing "teams". In other words, the client has a project and they put together a team, including a project manager, developers, testers and others.

Company Staff.C17 sees staffing as being even more competitive. The number of opportunities that there currently are, in contrast to the existing number of people able to respond to them is

at its limit and could burst at any moment. It is hoped that universities in Portugal will train a lot more people, and if this happens, the situation will change. The specialisation of IT staffing will continue to take place and the business of offshoring will also continue to grow. With regard to the company, they intend to grow abroad into Europe, but it is first necessary to grow in outsourcing and nearshore.

Furthermore, it is necessary to guarantee that there is sufficient margin, only then can they move forward. Company Staff.C18 believes that an even greater level of specialisation will exist. The training on offer at universities is beginning to be more specific and focussed on certain tools and therefore the business of IT staffing will evolve in a positive way. Portugal will have an even more important say in this area, with the reality of nearshore and with IT companies also coming to Portugal. With regard to the future, they are investing in the specialisation of resources, innovating and modernising career management and work flexibility. Company Staff.C19 has no doubt that the fragmentation of the companies' activities in order to provide services is a tendency that continues to grow, which will increase specialised competitiveness.

In the following table, Table 37, it is possible analyse the main outputs taken from each company.

Table 37 Staffing main outputs – Future Vision

Source: author's elaboration based on the interviews obtained

Company	Main Outputs – Future Vision
Staff.C1	– engagement with employees need to be refined, more than a brand and salary it is necessary to guarantee trust, integrity and bidirectional communication between company and staff
Staff.C2	– digital change – automised and semantic analysis of curriculums and profiles in a data bank, and in interviews, with virtual, digital questionnaires
Staff.C3	– engagement with employees need to be refined, more than a brand and salary it is necessary to guarantee trust, integrity and bidirectional communication between company and staff
Staff.C4	– work is changing and automation will involve companies recruiting with the use of machines in the near future – "blind" recruitment
Staff.C5	– will continue to be a huge necessity for companies, due to the ability to respond to areas lacking know how – staffing will be seen as a form of "financing" and even recruitment
Staff.C6	– competition will increase and more players will arrive on the scene, creating further division and competition in the market
Staff.C7	– the client will increasingly buy an output, and not the resource itself – companies cannot grow only in terms of people, but also in value
Staff.C8	– level of uncertainty will grow ever larger – Outsourcing contracts with a client will have to become increasingly automated and flexible and increasingly committed to the client
Staff.C9	– little will change, the model will continue
Staff.C10	– become a trend given that many companies depend on staffing in order to survive
Staff.C11	– other companies regard could bring saturation to the market and maybe influence the way of doing business – will depend a lot on the evolution of European Union laws – increasingly use the experience and aggregated experience
Staff.C12	– expansion into Europe; consolidating the Portugal market; and creating other areas of innovation such as gamification
Staff.C13	– business will tend to become more digital and therefore more platforms will appear – packages consisting of "ability" instead of only people – staffing will continue to be a huge necessity for companies
Staff.C14	– staffing will continue to be a trend – surviving companies will need to constantly innovate their business model and service portfolio, or, in other words, they will have to reinvent themselves
Staff.C15	– companies are increasingly creative and the models tend to undergo some alterations – strategies being created with regard to how to manage people who are with the clients, and not the client managing the people, as is currently the case

Staff.C16	− believes that this model is not sustainable − do not want to hire people internally − consultants are increasingly aware of the rates and that the staffing companies want to take advantage of them − create staffing "teams"
Staff.C17	− it is hoped that universities in Portugal will train a lot more people, and if this happens, the situation will change − specialisation of IT staffing will continue to take place and the business of offshoring will also continue to grow − intend to grow abroad into Europe
Staff.C18	− greater level of specialisation will exist − training on offer at universities is beginning to be more specific and focussed − reality of nearshore and with IT companies also coming to Portugal − investing in the specialisation of resources, innovating and modernising career management and work flexibility
Staff.C19	− fragmentation of the companies' activities in order to provide services is a tendency that continues to grow

4.3 Financial data

The current section describes the approaches followed to respond to one of the sub questions of the research related to the comparison of profitability between management consulting and staffing companies, *"Are consulting companies more lucrative than staffing companies?"*. So as to verify if there is a significant statistical difference between the financial results of staffing companies and management consulting companies, data which refers to the fiscal results of 2018, from the AMADEUS database, mentioned above in the present work, was analysed.

All of the data presented was calculated as averages. Demonstrated below is the rational through the example of average calculation of the ratio "Profit per employee" through equation (1):

$$\bar{x} \text{ M. Consulting (Profit per employee)} = \frac{\frac{(\sum_{i=1}^n xi)}{(n)}}{\frac{(\sum_{i=1}^n yi)}{(n)}} \qquad (1)$$

In which

> For year 2018, with n=100 companies, the average of "Profit per employee" resulting from the formula "Profit before tax / Employees", is calculated adding all of the values of "Profit before tax" characterised as n=100 and divided by the sum of all the employees characterised as (n=100)

Note that all the formulas and indicators used can be consulted in an individual glossary in appendix C and D.

According to Table 38 it is possible to analyse in absolute terms the key management consulting and staffing financial data averages. In absolute terms, there is no doubt that the staffing business presents a much higher operating revenue as well as gross profit and EBIT.

Table 38 Key financial data
Source: author's elaboration based on Amadeus database

Key Finantial Data							
	Number of employees	Operating revenue (Turnover) (th EUR)	Sales (th EUR)	Costs of goods sold (th EUR)	Gross profit (th EUR)	Other operating expenses (th EUR)	Operating P/L [=EBIT] (th EUR)
Consulting (mean)	305,48	73171,09	64058,85	48503,79	19463,24	30022,67	6167,47
Staffing (mean)	9788,00	861141,46	1022883,09	608794,39	175902,27	272391,65	24549,14

The profitability ratios are used in order to evaluate the capacity of a business to generate profit in relation to revenue, operational costs, assets and own capital over time, according to data until a certain time (Pandey, 2015). For the majority of profitability ratios, having a higher value

in relation to the ratio of a competitor or in relation to the same ratio of a previous period indicates that the company is doing well (Bhimani *et al.*, 2019). So as to compare two types of companies, the ratios, or relative value, are the best indicators. In contrast to the previous table, when analysing profitability data, everything is inverted, with management consulting superior to staffing by all indicators, as is possible to observe in Table 39 and Table 40.

The Return on Equity (ROE) expresses the percentage of net profit in relation to the net asset, or the rate of return on money that investors have put into the company in the form of shares. The ROE index is particularly observed by equity analysts and investors. According to Bhimani (2019), companies with a high return on own capital are generally more capable of generating money internally and, therefore, less dependent on financing debt. Analysing the average of this indicator it is possible to state that management consulting companies are 15% more profitable than staffing companies.

The ROCE, in this case also higher for consulting companies, indicates that management consulting companies use their available capital more efficiently in order to generate additional profit, also taking into consideration debt and other liabilities. Apart from all of the other indicators, it is relevant to mention the gross margin, which indicates that management consulting companies retain 21% of each euro generated while staffing companies retain almost half of this value. It is also worth noting that "enterprise value/EBTIDA (x)'' that presents value 0 for management consulting companies due to the latter being an indicator for publicly listed Companies only, and as such will not be analysed in this research.

Table 39 Profitability ratios (part I)
Source: author's elaboration based on Amadeus database

Profitability Ratios (Part I)						
	ROE using P/L before tax (%)	ROCE using P/L before tax (%)	ROA using P/L before tax (%)	ROE using Net income (%)	ROCE using Net income (%)	ROA using Net income (%)
Consulting (mean)	20,56	18,67	9,16	15,37	14,12	6,85
Staffing (mean)	17,47	14,88	6,49	15,06	12,95	5,59
Δ (mean)	3,09	3,79	2,68	0,31	1,17	1,26
Δ (mean %)	0,15	0,20	0,29	0,02	0,08	0,18

Table 40 Profitability ratios (part II)
Source: author's elaboration based on Amadeus database

Profitability Ratios (Part II)						
	Profit margin (%)	Gross Margin (%)	EBITDA Margin (%)	EBIT Margin (%)	Cash flow / Operating revenue (%)	Enterprise value / EBITDA (x)
Consulting (mean)	7,30	21,01	8,31	8,43	5,72	0,00
Staffing (mean)	2,66	11,44	2,65	2,85	2,23	2,19
Δ (mean)	4,64	9,57	5,67	5,58	3,49	-2,19
Δ (mean %)	0,64	0,46	0,68	0,66	0,61	NA

Table 41 presents the operational ratios. Operational ratios describe how the value of revenue will pay for various categories of costs, and what is left over is to "pay" the net income (Pandey, 2015). The net assets turnover ratio indicates that the staffing companies are more efficient at managing and using their assets to generate sales, which is not unusual given the higher volume of sales and employees that are considered assets. The credit period indicator that can be translated as debts to suppliers and contractors (trade creditors), present higher indicators in management consultant companies.

The collection period indicator is similar in both cases, meaning the same time in trade receivables (from clients and customers only), which could be something to explore in the future. With regard to export ratio, it is clear that management consulting companies present a higher ratio for operating value, in other words, a part of the turnover earned abroad. A fact explained by some authors when stating that a lot of work is exported, in contrast to staffing which, with some rare exceptions in the literature (Bhattacharjee & Chakrabarti, 2015; Maitra, 2015) is not easy to export, although in this case, almost 5% come from revenue. Research and development (R&D) are associated with research and development of goods or services of a company.

In this context it is possible to observe that only management consulting companies invest in R&D expenses, despite this appearing to be a very low amount in relative terms (0,02%), which represents €146,342, 175,13. This fact truly reflects that, at least through financial data, there is no register in this rubric on the part of the staffing companies, which could mean non-investment in R&D.

Table 41 Operational ratios
Source: author's elaboration based on Amadeus database

	Operational Ratios						
	Net assets turnover (x)	Interest cover (x)	Stock turnover (x)	Collection period days	Credit period days	Export revenue / Operating revenue (%)	R&D expenses / Operating revenue (%)
Consulting (mean)	2,47	32,92	18,38	57,03	13,10	10,32	0,002
Staffing (mean)	5,25	16,11	33649,93	57,36	7,02	4,49	0,000
Δ (mean)	-2,77	16,81	-33631,54	-0,33	6,09	5,83	0,002
Δ (mean %)	-1,12	0,51	-1829,31	-0,01	0,46	0,56	0,000

The Structure Ratios are normally used to support the financial evaluation of the organisation and so it is essential to include the capital structure indicators in any financial analysis (Bhimani *et al.*, 2019; Pandey, 2015). This is important mainly to understand the company's ability to honour their debts. The same type of business could yield different profits and the way these profits are distributed between shareholders could vary. As staffing companies have more shareholders, they will probably pay more attention to this indicator.

As can be seen in Table 42, both solvency ratios are greater in management consulting companies, which translates to a greater capacity of payment of its commitments; in other words, more financial autonomy and an even greater resistance to risk in cases of crises or financial shocks. In the case of liquidity ratio, it is possible to verify that staffing companies present a higher amount, representing more capacity to pay current debt obligations without leveraging external capital.

Table 42 Structure ratios
Source: author's elaboration based on Amadeus database

	Structure Ratios					
	Current ratio (x)	Liquidity ratio (x)	Shareholders liquidity ratio (x)	Solvency ratio (Asset based) (%)	Solvency ratio (Liability based) (%)	Gearing (%)
Consulting (mean)	1,16	1,02	7,14	44,57	80,40	52,15
Staffing (mean)	1,43	1,43	3,96	37,13	59,07	58,24
Δ (mean)	-0,27	-0,41	3,18	7,44	21,34	-6,09
Δ (mean %)	-0,24	-0,40	0,45	0,17	0,27	-0,12

According to Table 43, it is possible to confirm that the average number of employees of staffing companies is vastly superior, which is in line with the fact that there are more direct costs. In line with the points already analysed and given that a percentage of revenue is higher in management consulting companies, it is also possible to state that the profit per employee indicator is higher and costs of employees per operating revenue are lower.

The profit per employee indicator is calculated as total revenue of a company divided by the current number of employees; it is an important proportion that measures approximately how much money each employee generates for the company, which shows that, on average, an employee from a management consulting company generates approximately the double in revenue compared to a staffing company employee.

The number of employees presented in Table 43 represents the total number of employees included in the company's payroll. It was not possible to identify from this source the total number of contingent employees, employees belonging to the company, or even how many employees work, or not, full time, regardless of the type of contract.

Table 43 Per employees ratios
Source: author's elaboration based on Amadeus database

Per Employees Ratios						
	Profit per employee (th EUR)	Operating revenue per employee (th EUR)	Costs of employees / Operating revenue (%)	Average cost of employee (th EUR)	Shareholders funds per employee (th EUR)	Working capital per employee (th EUR)	Total assets per employee (th EUR)
Consulting (mean)	19,43	266,14	36,95	98,35	94,47	44,32	211,97
Staffing (mean)	2,44	91,65	47,28	43,33	13,95	11,22	37,57
Δ (mean)	16,99	174,50	-10,33	55,01	80,52	33,11	174,40
Δ (mean %)	0,87	0,66	-0,28	0,56	0,85	0,75	0,82

CHAPTER V – DISCUSSION AND FINDINGS

As previously defined, the result of a gap found in the literature, the research question to be answered is:

How to transform the business model of staffing companies into a management monsulting business model?

In this chapter, it is intended to answer the research question and subquestions with the data already collected and discuss different perspectives regarding the results.

5.1 Research questions

To answer the central research question, subquestions have been defined and will be answered on the basis of the data collected.

1. What is the meaning of staffing and outsourcing in Portugal, and in which areas do they overlap?

In order to consolidate many of the concepts learned in the literature review, a conceptual map was prepared, see Figure 40, which should serve as a basis for discussion and future research. The flow of relationship between the vendor and the client is presented by type of contract and location with the emphasis that when it comes to transaction of specialised resources, the workplace is typically on-site. All the overlaps of concepts are also detailed in order to reflect the existing confusion and to appeal for further investigation and consequent normalisation of the theme.

Figure 40 Outsourcing including staffing services: conceptual model
Source: author's elaboration
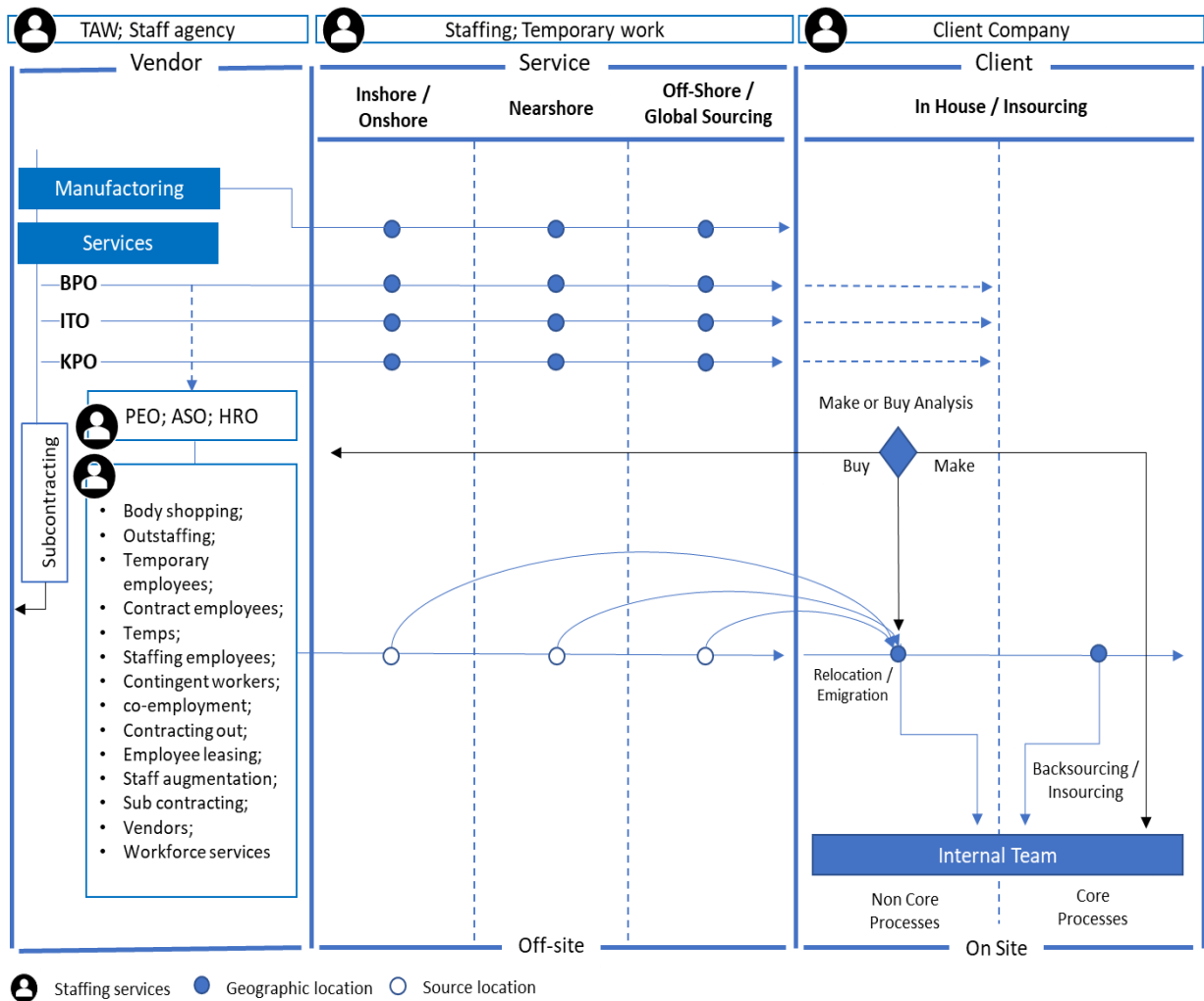
Besides the literature review and the creation of the conceptual model shown above, a questionnaire was also used. The questionnaire had only one open question "Please define in a sentence, and according to your experience, the most common meaning of the term "outsourcing" in Portugal" which had as premise to test something referred in the literature review, but that had not been previously tested, the meaning of "Outsourcing" in Portugal. This evaluation, although short, was of particular importance because only executives of companies were interviewed, and there was no primary feedback at this level either from employees of staffing companies or from customers.

The answers were worked through text mining, and the results were visible in Table 44, Table 45 and Table 46. Note that through the 757 words analysed the five most used words in Table 45 are "Company"; "external", "services"; "resources" and "hiring" which can lead to a possible conclusion of reading "hiring services of external resources" with the word "resources"

appearing with one of the most prominent and the word closest to the concept of outsourcing, "activities" appears only with a frequency of 1.1%. After a detailed analysis and elaboration of Table 46, it is possible to conclude that the most used answer, 36% of the sample, was "Hiring of specialised resources", which reveals well and shows that in Portugal the concept of outsourcing is associated to the concept of staffing and not to the description existing in the most recent literature (Currie *et al.*, 2008; Davis-Blake & Broschak, 2009; Mudambi & Tallman, 2010). Curiously, two of the respondents answered "Butcher" referring to a purely transactional employee service.

Table 44 Outsourcing meaning - Answers analysis
Source: author's elaboration

"What means outsourcing?" Answers Analysis	
Total word count:	757
Number of different words:	302
Complexity factor (Lexical Density):	39.9%
Readability (Gunning-Fog Index): (6-easy 20-hard)	13.3
Total number of characters:	8411
Number of characters without spaces:	5534
Average Syllables per word:	2.04
Sentence count:	52
Average sentence length (words):	24.29
Max sentence length (words):	110

Table 45 Outsourcing meaning - Frequency and top words.
Source: author's elaboration

Word	Occurrences	Frequency
company	43	5.7%
external	33	4.4%
services	31	4.1%
resources	30	4%
hiring	28	3.7%
service	17	2.2%
certain	13	1.7%
work	11	1.5%
another	11	1.5%
resource	10	1.3%
outside	9	1.2%
contracting	9	1.2%
specialised	9	1.2%
activities	8	1.1%
organisation	7	0.9%
subcontracting	7	0.9%
perform	7	0.9%
time	7	0.9%
business	6	0.8%
provision	6	0.8%

Table 46 Outsourcing meaning - Top answers
Source: author's elaboration

Answer	Frequency
Hiring of specialised resources	36,4%
Buy services	25,0%
Subcontracting	6,8%
Outsourcing of recruitment and salary processing activities, and the transformation of fixed costs into costs that appear to be variable.	6,8%
Team capacity extension	5,3%
Bodyshop	3,8%
Specialised full-time customer resource services.	2,3%
Hiring services to perform tasks that are not 'core' to the company	2,3%
Butcher	1,5%
Work done on the client.	0,8%
Improving business and production efficiency	0,8%
Time and materials consulting	0,8%
Outside the actual site	0,8%
Opportunity for growth	0,8%
In IT the term Outsourcing is used to designate staffing and Outsourcing services.	0,8%
Consulting	0,8%
Temporary work	0,8%
Low cost	0,8%
Not perceptible	3,0%

As a form of validation, another question was also made, this time a closed question, regarding the importance given to the company and the profile, "When hiring Outsourcing in Portugal, please indicate the importance that the characteristics of the profile of the company where the profile comes from have for the decision maker".

Two hypotheses were defined, H0: The median of differences between "profile" and "company" equals 0; and H1: The median of differences between "profile" and "company" is greater than 1. In Table 47 it is possible to observe the results, the median of the profile is higher than the company median. Given the probability associated with the Wilcoxon test value, Table 48, the null hypothesis (equality of medians) is rejected.

It is then possible to conclude that the difference observed is statistically significant. This conclusion may be translated in the fact that in outsourcing hiring what counts more is the profile in question and not the name, relationship or credentials of the company, which corroborates with the description of outsourcing requested in a questionnaire and already analysed, that is, in Portugal, the concept of staffing is often encapsulated outsourcing, which contradicts the most recent literature.

Table 47 Outsourcing meaning - Hyposhesis test summary
Source: author's elaboration

Hypothesis Test Summary				
	Null Hypothesis	Test	Sig.	Decision
1	The median of differences between profile and company equals 0.	Related-Samples Wilcoxon Signed Rank Test	,000	Reject the null hypothesis.
Asymptotic significances are displayed. The significance level is ,050.				

Table 48 Outsourcing meaning - Wilcoxon signed rank test summary
Source: author's elaboration

Related-Samples Wilcoxon Signed Rank Test Summary	
Total N	119
Test Statistic	504,000
Standard Error	227,710
Standardised Test Statistic	-6,192
Asymptotic Sig.(2-sided test)	,000

2. How is each business model organised in the various elements of the value chain?

Both types of companies operate in a B2B business model in which the objective is to provide services. Analysing Figure 41, based on literature analysis and interviews, it is possible to observe similarities in terms of customer orientation, customer centricity, however, there are several differences in primary activities.

The mode of delivery is one of the main differences, in the area of management consulting delivery takes place through projects and coaching conducted by mixed and specialised teams, often being a black box for the customer who buys results and not tasks and people. In the case of staffing, the same does not happen, because the sale, according to is practically dependent on the profile and fit between the client and the resource. In this sense, the output to the market, according to analyses already mentioned, is typical "only" workforce.

The recruitment, as concluded in the interviews, is a very relevant point for both types of businesses, but with different requirements. As far as management consulting is concerned, the most sought after requirements are problem solving, relational skills and analytical capacity. In the staffing business, it was indicated in a generic and standardised way that the client commands all requirements, however, most companies still refer to soft skills as one of the most evaluated requirements.

Only MConsulting.C9 mentioned that today's recruitment goes through universities, an opinion also shared by several staffing companies. According to the interviewees, the entrance capacity assessment tests are more formal in management consulting companies, in staffing companies, the real test is the interview with the client.

As most consulting companies say, the investment in R&D and innovation is in their DNA, a bet seen as a way of being in the market and maintaining a close relationship with clients. Teams dedicated to research and publication of insights, laboratories for experimentation, adaptation and production of past work are facts reported, and that proves it. In the staffing business, except for the Staff.C7 company, none of this has been mentioned, as demonstrated in Table 41 regarding the financial data analysed, only management consulting companies invest in R&D expenses, (0.02%). In this sense, R&D is not part of the value chain of the staffing business.

Like R&D activities, knowledge transfer is not part of the staffing business value chain approach. The staffing business is difficult to replicate because it is task-based (Brandl *et al.*, 2018), in the management consulting business, as mentioned in the interviews there is an influential culture of knowledge sharing because the projects replicate.

The transfer of knowledge uses the projects as an object and is generally performed through partners and experts complemented by a technological repository where the experiences of projects are collected and recorded. In a complementary way to the project evaluations, mainly when done through customer feedback, they also help in the creation and dissemination of knowledge according to the respondents MConsulting.C4 and MConsulting.C6.

The business development activity is performed in both types of businesses, however, the interviews show that there is a higher criticality and focus on the staffing business, for example in the use of specialised teams dedicated only to business development. The interviewees focused a lot on the issue of proactivity to go to customers, and teams dedicated only to sales with the mission of carrying out commercial prospecting at customers where there is already an "installed base" or via cold contact. Those responsible for the management consulting business mentioned in general that there are no people dedicated to sales, the commercial activity is with the most senior partners and employees who are responsible for managing the relationship with customers. This is because several companies do not believe it is possible to sell consulting services without knowledge about the business. According to them, the sale takes place through natural relationships, whether through customer requests or suggestions for improvement or comparisons with the competition, which are highly appreciated by the customer and may or may not go ahead with them.

The relationship is so meaningful that in addition to customers is also fostered the relationship with former employees who represent about 20% of requests for help, for example, for the company MConsulting.C2.

Figure 41 B2B Value chain approach
Source: author's elaboration based on the results of the interviews
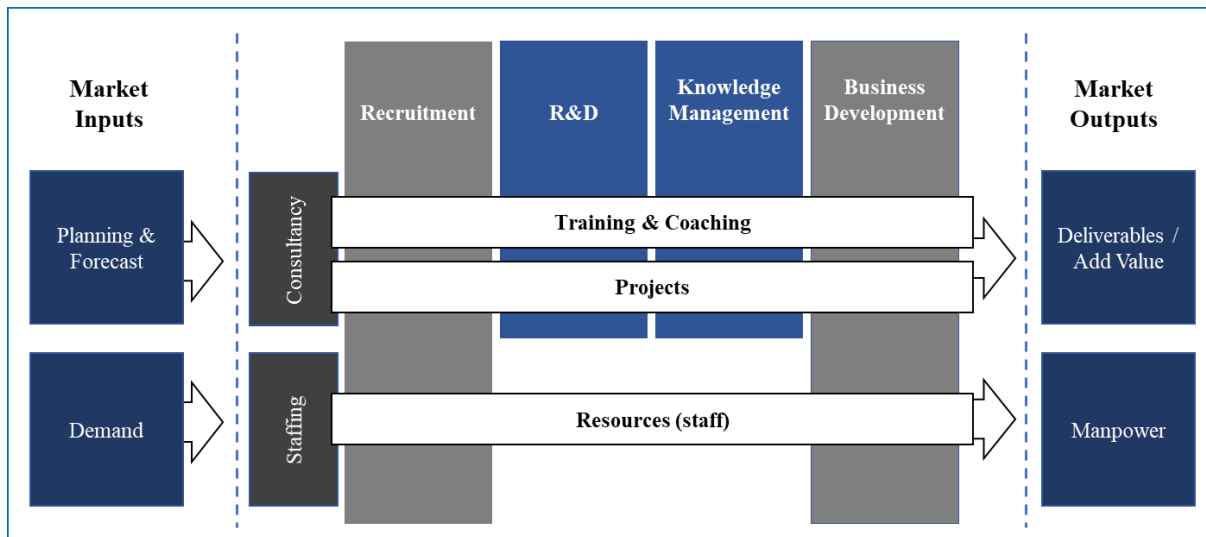
3. What is the innovation strategy of the service portfolio of both types of companies?

Innovation in the portfolio was answered as happening in both types of business, but the object of innovation is not the same. In the staffing business, and according to the respondents, innovation happens more at the level of support activities, themes such as employee branding, recruitment marketing, recruitment automation tools, social recruitment through social networking platforms, training employees in new work methodologies were some of the highlights. However, the portfolio "object" is similar among all, resources. Exceptions were mentioned, such as the company Staff.C5 that mentioned the creation of nearshoring and consulting areas and the company Staff.C10 that mentioned the opening of new technological areas.

The consulting companies referred to essentially innovation in terms of the portfolio of services itself, MConsulting.C2 highlights relatively recent issues that challenge clients such as agility, digital transformation, gender parity, among others. These themes were also generally referred by other companies, although there was no direct question to that effect. According to MConsulting.C1, MConsulting.C8 and MConsulting.C13 innovation happen very segmented by industry such as robotics in retail, cybersecurity in banking and others, which motivates the creation and evolution of design laboratories and development of concepts and insights. In comparison, the establishment of partnerships with companies and universities has been

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mentioned several times by staffing companies, which results in the way of "replacing labs" as well as an attempt to always be on the crest of the wave when it comes to service provision.

Note that one of the most mentioned points was the presence and international network of management consulting companies that allows them to innovate and quickly replicate through the network, something also mentioned by Staff.C1 and Staff.C4, however, it is not possible or challenging to replicate when it comes to specific people and tasks, except for nearshoring services that represent outsourcing and not staffing and that can be models to replicate in which, as in consulting, a final result is delivered.

4. What are the concrete strategies to enhance the relationship with customers, create opportunities and close deals?

The service business is only possible through the relationship with customers, which through analysis shows that there are no significant differences in the two business models. In general, all respondents said that continuous contact is vital to maintain the relationship. Consulting companies point out that they often feed into relationships even when they do not have active projects, avoid mere business relationships and favour win-win and trust relationships where other topics can be discussed.

The proximity happens, for example, through periodic visits, invitations for presentations and lunches and whenever possible, create other needs in the client. The companies MConsulting.C8, MConsulting.C10 and MConsulting.C14 indicate that partners are also an extension that maintains the existing relationship when it is not possible to be directly present. Staffing companies in general present the same mindset, an open line for good and evil, this is the transparency relationship they try to cultivate. They say that for their business it is very relevant to know the client well in order to know the best profile to address, they hold situation meetings, and whenever possible, they deprive with the client, for example at lunches. It is also mentioned that the secret is the adaptation to each type of interlocutor, meeting, SMS, email, always depends, but on the other hand, the technologies and the ease of communication via non-personal does not help and nothing better than maintaining a close and personal relationship.

One of the interviewees gave an example of friction in the relationship, when future candidates say they go to an interview, mark themselves with the client, and then they fail, or when

everything is right, and then they give up. This is because companies only hire after they have the client's okay to move forward.

Other examples of history that have deteriorated relationships are related to the sudden departure of employees in which the client feels harmed and does not want to pay, or yet another situation in which clients either do not want to evaluate employees because they are not "theirs" or on the contrary always evaluate with the highest score so as not to harm them knowing that it is a short relationship.

By analogy, according to everyone's feedback, it is possible to conclude that in the staffing business it may be relatively easier to maintain contact with the client since resources remain for long periods and projects are typically shorter. On the other hand, when the resource leaves, a transactional relationship ends that, if it has not been fueled with confidence and added value, it may end or be back on an equal footing with other competitors.

5. What are the concrete strategies to attract, evolve and retain people and talents?

The interviewee from MConsulting.C12 used more than once the phrase that "at the end of everything that counts are the people", and correspondingly the company Staff.C6 said, "no matter how much we focus on the client, without good resources all the upstream work is lost". Comparing the two businesses, there are some differences to be noted, both in attraction, retention and even the way the resources come out of the company.

As far as recruitment is concerned, management consulting companies are generally looking for "brains" with strong analytical and problem solving skills. Recruitment at most of these companies takes place proactively, for example, every year in many of the companies several consultants come in September, just out of university, the so-called "rough diamonds to cut". The staffing companies, on the other hand, recruit reactively according to the clients' requests and needs. Except for the Staff.C8 company, which reported that generic resources are hired and later trained to adapt to client needs.

The difficulty in hiring is, in the opinion of some companies, an Achilles heel of the business, more and more clients favour time rather than price, if the candidate does not appear in the desired time the company gets "the label of incompetent". Practically all staffing companies have also mentioned that in addition to technical skills requested by clients always seek resources with soft skills such as intellectual humility and willingness to learn and succeed.

Regarding evolution and retention, in short, in management consulting companies, an abundance of various activities and incentives to retain consultants is visible. Sustainably doing their work, balancing personal and professional life and still with the possibility of creating something, together with international experiences, are the practices that are said to be most successful. It has also been said that remuneration has never been the factor that consultants consider relevant to stay, although it has also had some weight in the decision-making process. However, other colleagues explain that a certain percentage of rotation is healthy for companies because it allows them to maintain their pyramid structure and be sustainable over time.

Much emphasis has also been placed on continuous training and evaluation, constant career progression using the "up or out" maxim, and also the assignment to each consultant of a counsellor also called a performance manager. As far as staffing companies are concerned, no doubt the most talked about topic as the primary "tool" for resource retention was the topic of proximity and relationship. For the retention of people, companies claim that they follow up very closely, and also have a close relationship with consultants that result from informal moments and or social events. In addition to the accompaniment, the formation and rotation of projects are actively promoted, for the motivation of the person to increase while staying in the company. The existence of an extensive list of training and certification so that employees can have a career with them was also mentioned, but when asked if the process was transversal for all employees, the answers were vague, it was only emphasised that it depended on several factors and that the client rarely pays or contributes to the training, which often happens in a post-work format so as not to penalise the hours to be charged to the client.

"Fortunately it is impossible to keep all employees forever" says one of the interviewees of the company MConsulting.C1. Here the approach and point of view are quite different. In the area of management consulting the departure of an employee is seen naturally, but if it happens for a customer, then it may be good because in the future for that employee, who already knows the company, it will be easier to contact and request services. This last point is so vital that alumni are invited to events, dinners, Christmas events and even alumni day.

For MConsulting.C2, the important thing is that people make the company happy and satisfied, the partners are the first to help the employees to find the right place, and help them in the transformation. In the staffing business and opposite poles it is of all interest that the resource stays in the client company and that it does not leave if it stays in the client one loses direct business if it goes to another place one will have to look for new resource for the position with the risk that the client does not want or opt for another competitor.

Two of the respondents even said that they would prefer them to go out to the competition rather than be 'stolen' by the customer where they work. Companies protect themselves with contractual clauses typical of this type of work because according to many companies, staffing is seen as an alternative to recruitment companies without the payment of a fee as is typical for this type of service. However, this idea is not widespread, for some companies it is rare the exceptions where the clients approach the resources to pass to the staff when the idea is that it is negotiated at the beginning and it is on the person's side to decide at the right time.

6. What is the most financially profitable business model?

The KPI's were one of the points mentioned in the interviews, highlighting the financial KPI's that run the business, highlighting the phrase "without profits, we can have all the operational KPI's shining but we will go bankrupt" mentioned by one of the interviewees of the company Mconsulting.C13.

The answer to this question may not be consensual and will have to take into account several criteria and will be answered from several points of view analysed.

From absolute financial data and according to Table 38, the average staffing values in a sample of 100 companies are far higher. To give a concrete example, the Earnings Before Interest and Taxes (EBIT) indicator is higher than management consulting companies by EUR 18 381 670.00, which at first sight gives a higher advantage to staffing companies.

From a relative point of view, analysing profitability rations, Table 39 and Table 40, it is easily observable that all indicators are favourable in management consulting companies, highlighting ROE indicators using P/L about 15% higher, profit margin about 64% higher and EBITDA Margin about 68% higher. These indicators show, according to the concepts presented by Bhimani (2019), that management consulting companies have more return on equity and are therefore less dependent on debt financing, also use their available capital more efficiently to generate additional profits and still retain 21% of each euro of generated (gross margin) while staffing companies retain approximately half of this value.

Through the Export ratio, it is visible that management consulting companies have a higher ratio per operating value, meaning that they have more export capabilities and even higher solvency ratios, which translates into greater ability to pay for their commitments, i.e. more financial autonomy, and even higher risk resistance in cases of financial crises or shocks.

Also noteworthy is the profit per employee indicator, which shows that on average, a management consulting employee generates 87% more revenue when compared to a staffing company employee.

In the discussion chapter, it was mentioned that the Net assets ratio was higher for staffing companies which could indicate in a simplistic perspective that staffing companies are more efficient to manage and use their assets to generate sales. The question is whether they really are and what is accounted for in this ratio as assets.

Penman (2009) states that accounting for intangible assets remains a significant area of research and that accountants since the 1990s continue to question how a balance sheet can still omit supposedly intangible assets such as "customer relations", "organisational capital" among others, when much of the value of companies comes from that, such as technology companies. The same author argues that "A conjectured value of a conjectured asset that can never be validated with a market price is inherently speculative; value is in the mind of the beholder". Other authors (Clausen & Hirth, 2016; Edvardsson & Kristjan Oskarsson, 2011; Hall & Lerner, 2010) have also explored the topic in depth. Edvardsson *et al.* (2011) state that the concepts of knowledge management and intellectual capital need to be linked in order to relate the real value contributed to companies.

The same authors also mention that the intellectual capital debate has been more concerned with intangible assets and the various forms of classification, management and evaluation of these assets. In contrast, the focus of knowledge management research has been internal processes such as knowledge transfer, culture and organisational learning and how these interfere with increased productivity and sales, reduce costs or allow for increased innovation and quality.

Applying the premises described above to this research, and the lack of specific support literature for intellectual capital analysis applied to the staffing and management consulting business, it is possible to conclude little, on the contrary, even more doubts arise. For example,

- Is it not possible to capture the intellectual capital value of projects and consulting history in accounting?
- When a staffing resource leaves the Staff Agency, does the company lose all its assets, even maintaining the client?
- Is it possible to measure the knowledge differential through financial data?

According to Penman (2009) and Hall and Lerner (2010), which do not specifically refer to service or consulting companies, it can be gauged that knowledge can be captured only in the difference in margins with which it is realised, which may mean that by the results of profitability ration management consulting companies, with largely higher margins present higher levels of knowledge management and intellectual capital, but this is not possible to prove. One of the explanations for staffing companies' low margins may be the fact that it is the client who actually earns the service margin, with staffing companies operating only as commissioners, keeping only a portion of that margin.

As a final answer, we conclude the inability to assess which business model is the most profitable financially, however, the profitability, operational and Structure data shown is pending to make the consulting business more profitable. Nevertheless, the subject requires further investigation.

7. How is the future seen, what are the main threats to the business model of both types of companies, and what strategies are used to address them?

The answers resulting from the interviews show characterisations of current threats and future thoughts, some of them divergent in both staffing and management consulting businesses. Respondents from consulting companies mentioned fewer points than staffing companies, but many of the points are relevant.

In terms of the evolution of the business itself, consulting companies foresee a strong need to adapt to a more consolidated market by absorbing competitors and consequently increasing market share. There is also the idea that the increase of ex-consultants in client companies will become more sophisticated, knowledgeable and therefore more demanding clients only resort to consultancy companies in cases of extreme need. Regarding the staffing business, in general, there is the convergence of opinion that the market will continue to grow, there is a huge demand and, as long as there are benefits for all sides, the model will continue.

There are several companies that cannot increase the headcount and therefore need the ability to respond to areas without know-how and peaks in work. However, some opinions indicate that the level of competitiveness can or will make the business model unsustainable. Companies, on the one hand, do not want to hire people internally, but on the other hand, the rates and salaries are getting higher and higher.

Besides, staffing is seen as a form of financing *("payment only in 60 days, when often the service has already been done")* and even recruitment. If the tendency of many international companies to come to Portugal is confirmed, there may be a saturation of the market, and perhaps it will influence the way the business is done. Contrary to what was mentioned about the aggregation of companies in the area of management consulting, the forecast in this type of business by some interviewees is that, given the ease of creation, there will be more companies creating even more division and competition in the market.

With the employees, it is mentioned by the interviewees that the companies will become much more specialised and less generalist, the same happening with the consultants who will have to guarantee a higher level of certification and sector experience. In the staffing area, necessary evolutions are also listed, for example, more engagement with the employees, more than a brand and salary it is necessary to guarantee trust, integrity and two-way communication between the company and the employees. Other companies also add a collaborative work environment, mental and emotional well-being, career possibilities, company stability and positive human relations. This perspective will only be possible with new strategies and different actions, in which, for example, it will not be the client who manages the people, but the staff agency. Some interviewees mentioned that many of the employees working today in a staffing model will change to a freelance situation and have more mobility, this in the IT area and some areas of management.

In terms of techniques and tools, it has been mentioned by several participants of consulting companies that the capacity of adaptation and flexibility to quickly follow the new scenarios is critical, there is a need to reinvent certifications, procedures, techniques and presence in the industry. On the staffing side, some companies mention that the strategies that human resources and temporary work companies use to recruit and retain employees are changing, artificial intelligence, "blind" recruitment and social hiring are part of the very near future. On the other hand, the purest and hardest people's business will tend to be much more digital. Therefore platforms will appear that will make staffing even more transactional, that is, a more digital relationship.

The delivery setup was one of the most mentioned topics. In management consulting companies, there is a mindset that will increase the need to deliver solutions with immediate impact. More integrated projects where besides recommendations and skills, the implementation component is required. It is also expected that the consulting industry itself will

help an immersion or growth of partnership models at the time of delivery, either with partners or with client teams, where the risk assumed from the final product is also shared.

Staffing companies to survive will have to think about adaptation and transformation modes such as having a client team sold as staffing so that it is coordinated by a manager and allows the client to work in project mode. Similarly, if the client has a project, the whole team can be provided, from the project manager, developers, testers, and others. Another alternative is to sell hours (time materials), the client will increasingly buy an output and not the resource itself. In the case of IT and a context of globalisation, the client can send the requirements to anyone, and a person who may be out will develop the component and will deliver, which will not be valid for everything, but for tasks of less value will be possible. As also mentioned for the consulting business, the staffing business will have to be configured to allow more and more flexibility and sharing of risks and results, partnership models and not only supplier models, for example, companies to explore business with customers.

Curiously some of the staffing companies already perceive the future through a transformation to consulting or staffing with more added value, which the market today ends up not recognizing it. Other companies want to evolve into product areas, outsourcing, nearshore and have more specific offers in niche markets.

8. What are the sustainable competitive advantages from both types of business models?

In order to answer the research question, the VRIO (value-rarity-imitability-organisation) technique was used (Barney, 1991; Barney & Hesterly, 2010). From the resource-based literature, currently one of the most important currents of thought in the area of business strategy (Hart & Dowell, 2011; Kraaijenbrink *et al.*, 2010), the VRIO technique has become widely advocated to assess the extent to which a company's resources meet the criteria of sustained competitive advantage. In this sense, the analysis will be carried out exclusively from "inside out", with the objectives of analysing the staffing and management consulting resources that can provide competitive differentials.

Barney *et al.* (2010) defines resources as all assets that are controlled by the organisation and that enable it to design and implement efficient strategies. In Table 49, and based on the interviews and literature review, the most referred resources were defined and classified according to the empirical premises suggested by Barney *et al.* (2010). Being a qualitative

analysis, the researcher needed to consult five specialists in this type of business, chosen for convenience that individually also classified each one of the resources.

Note that the five people consulted had no access to interviews or literature data. The results were worked on, and the Cohen's Kappa coefficient was calculated, which in general have high levels of agreement, except for the resource "consultants" with a level and agreement of 0.2 and for the resource "partnerships" in staffing companies also with the same value.

Table 49 VRIO matrix analysis
Source: author's elaboration

Resources	Valuable	Rare	Costly to Imitate	Organized to Capture Value	Competitive Implications	Cohen's Kappa
Management Consulting						
Consultants	Yes	Yes	No		Temporary Advantage	0,2
R&D	Yes	Yes	Yes	Yes	Sustained Advantage	0,8
Know How	Yes	Yes	Yes	Yes	Sustained Advantage	1,0
Client Relationships	Yes	Yes	Yes	Yes	Sustained Advantage	1,0
Partnerships	Yes	Yes	Yes	Yes	Sustained Advantage	0,4
Staffing						
Resources	Yes	Yes	No		Temporary Advantage	0,6
R&D	Yes	No			Competitive Parity	0,8
Know How	Yes	No			Competitive Parity	0,8
Client Relationships	Yes	Yes	Yes	Yes	Sustained Advantage	0,8
Partnerships	Yes	Yes	No		Temporary Advantage	0,2

Unlike other types of companies that work "inwards", in the area of services resources assume an essential role, in this specific case they are the "product", mainly in the area of staffing. In both types of businesses, employees are a valuable asset, participating in the entire value chain and, as some of the interviewees said, "there are no equal resources", which characterises them as rare according to Barney *et al.* (2010) definition. To be a source of competitive advantage, a resource, in this case, an employee, besides being valuable, rare and exploited by the company, must be challenging to copy.

In the case of staffing companies, the proof that employees are to some extent imitable is in the examples given in interviews. When employees leave, companies try to hire another employee with similar characteristics in order not to lose their client position. In the case of management consulting companies, although the competitive advantage comes from interpersonal relationships, trust, culture and other social resources, employees through training and experience replicate the strategy and operational model defined by the brand, which is why in

general management consulting interviewees say that although people are very important there is a legacy of the brand.

As some respondents noted, the organisation's retention levels are low, other companies may also hire employees by offering better compensation packages, working environment, benefits, growth opportunities, and others. This makes employees of management consulting companies, as well as employees of staffing companies, a resource that provides a temporary competitive advantage. The competition can acquire them in the future.

One of the most pointed points by management consulting companies as a response to the future and the competition was the R&D, and curiously, although, in different formats, staffing companies also mentioned that they did it. For management consulting companies, this is a resource that provides sustainable competitive advantages. As several of the interviewees said, the company's continued investment in R&D allows it to generate ideas for new services and products, as well as test these new products in limited market environments.

Although many of the companies mentioned that this process was not local, but at the group level, it allows these companies to assess the viability of new ideas and generate market insights. This is a valuable, rare, inimitable resource that companies exploit and organise, and in many of the companies, interviews are part of the system and culture of the company. In the staffing business, and as mentioned above, innovation happens more at the level of support activities, themes such as employee branding, recruitment marketing, recruitment automation tools, social recruitment through social networking platforms, employee training among others. Although this type of innovation is considered valuable, it can also be performed by clients in the direct hiring of resources, which makes it not a rare resource and can be imitated.

The "know-how" resource is probably the easiest to characterise in the management consulting business, given the detail and relevance with which it was described in the interviews. It was mentioned differently, but several times, those consulting companies are sought after for their strong expertise in specific topics, regardless of the people who will do the project. This is because the organisational culture promotes and uses the creation of knowledge and transportation of information within the group as an added value, a fact justified by Barney *et al.* (2010) as a causal ambiguity between the relationship between the company's resources and the possession of a sustainable competitive advantage.

Competitors wishing to copy the strategies are not sure what they can actually imitate that increases the value of this type of knowledge. This type of organisational culture with a legacy

of several years cannot be imitated by competitors. In the opposite sense, in the staffing business, in a transactional aspect only and being the tasks performed at the clients and specific, the knowledge is difficult to store, normalise and replicate. The knowledge and experience are above all in the employees, if they remain, i.e., while they remain their know-how will be a valuable but ephemeral resource that a competitor can replicate, for example, by hiring this resource.

In most of the interviews, it was mentioned that the business relations, were above all based on trust is probably the most similar strategy and vision between both types of businesses. The trust that exists between customers and the organisation, in this case, structure resources that promote business relations, partners in management consulting and business developers in staffing is a resource that can rarely be imitated. In both cases, the high brand recognition in different consumer groups in different countries allows the brand to enjoy a high number of customers, high sales and a unique bond with consumers. Competitors would have to invest a significant amount and many years to imitate a similar relationship system, as brand recognition and resonance represent a legacy of relationships in the marketplace.

Concerning partnerships, which is not a major theme found in the literature review, no specific question was asked in this regard. However, some of the interviewees referred spontaneously to the subject, for example, management consulting companies' partnerships with staffing companies and more technology companies and staffing companies with universities. As mentioned in the resource "Client Relationships" also the partnership relations are based on trust, and in the case of the management consulting business there is a balance of forces that lead to a win-win of business between partners and the companies themselves for example in the execution of projects together, making both stronger and with a more differentiated visibility for the client. This helps to achieve more customers and higher revenues.

5.2 Conceptual model

Based on the previous answers, and to answer the main research question, a theoretical model based on the Business Model Canvas (BMC) will be used.

As a result of the interviews (frequency of response), literature review and support sources, e.g. FEACO and ASA, the BMC of both types of businesses were developed, Figure 42 and Figure 43.

It is important to note that the work on the conceptual model started with the literature review. In comparative terms, the results of the interviews of the management consulting business model show that it is not much different from the data obtained in the literature review. Exception made for references to the importance of R&D and the relationship with alumni that are not so explored in the literature.

Concerning the staffing business model, some differences were detected that might represent gaps in the current literature. Key Partners are little explored theoretically, no references to partnerships with universities or jobseekers, for example, were found in the literature review. Also, the Key Activities of a staffing service company are scarce in the literature when compared to the answers of interviews focusing on client management and selling topics. The same happens for customer relationship. In the literature review, no reference to the Channels used in this business model has yet been found or associated. The definition of Value Propositions is also highlighted, and in the current literature, it is explored in terms of work regulations and their implications for the companies. However, in the answers obtained in the interviews, only the focus on business efficiency is perceptible.

Figure 42 Management consulting BMC
Source: author's elaboration based on (Osterwalder & Pigneur, 2010)
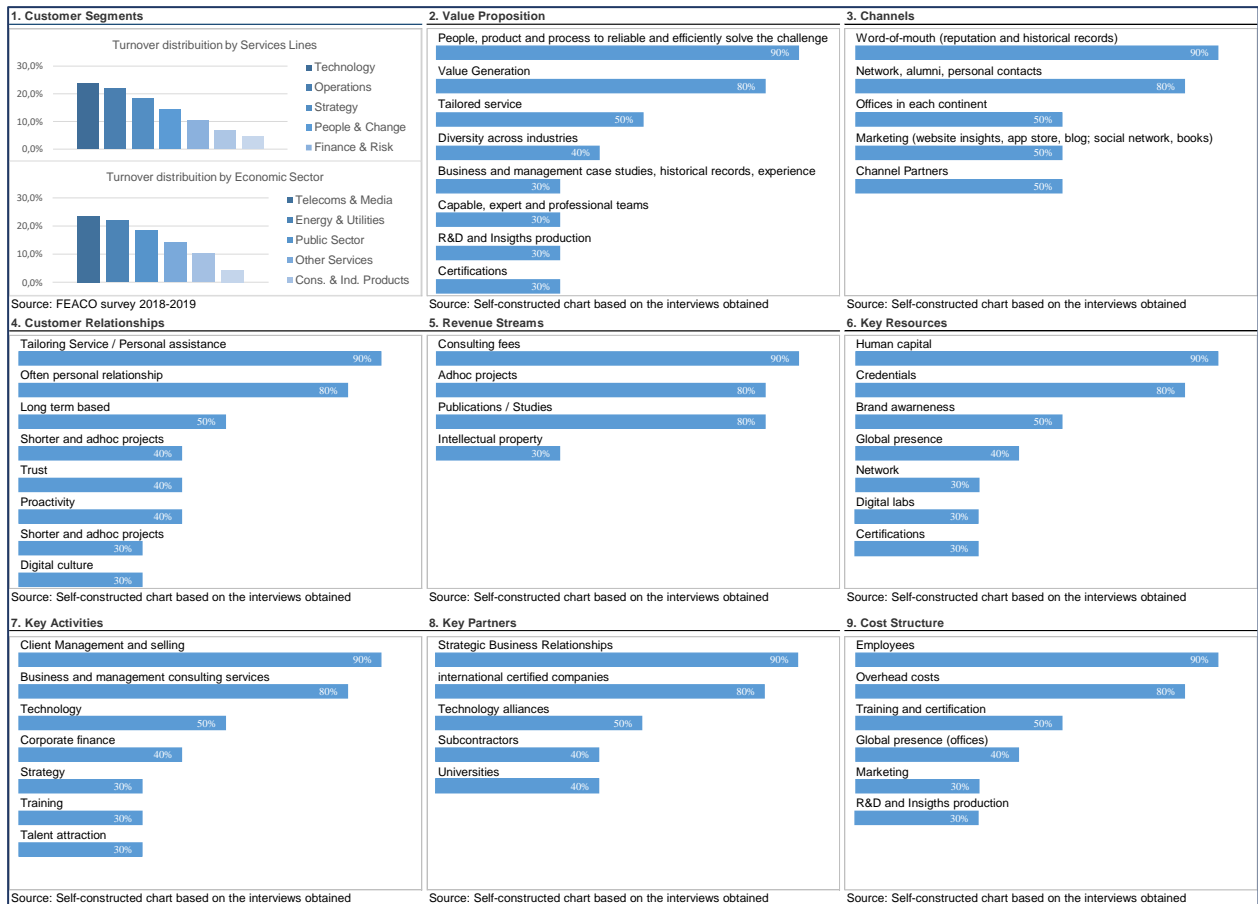
The block "1. Customer Segments of the BMC" is where there are more similarities between the two business models. According to some respondents, there may be differences in only two points, interlocutors and shortage of more operational skills. The interlocutors of the client company for management consulting companies are usually C-Level, already with staffing companies may vary between C-level and director. Regarding the lack of skills, although some of the staffing interviewees indicated that the company does management staffing in general, 80% of the requests are IT related given the high demand and low supply in comparative terms.

Figure 43 Staffing BMC

Source: author's elaboration based on (Osterwalder & Pigneur, 2010)
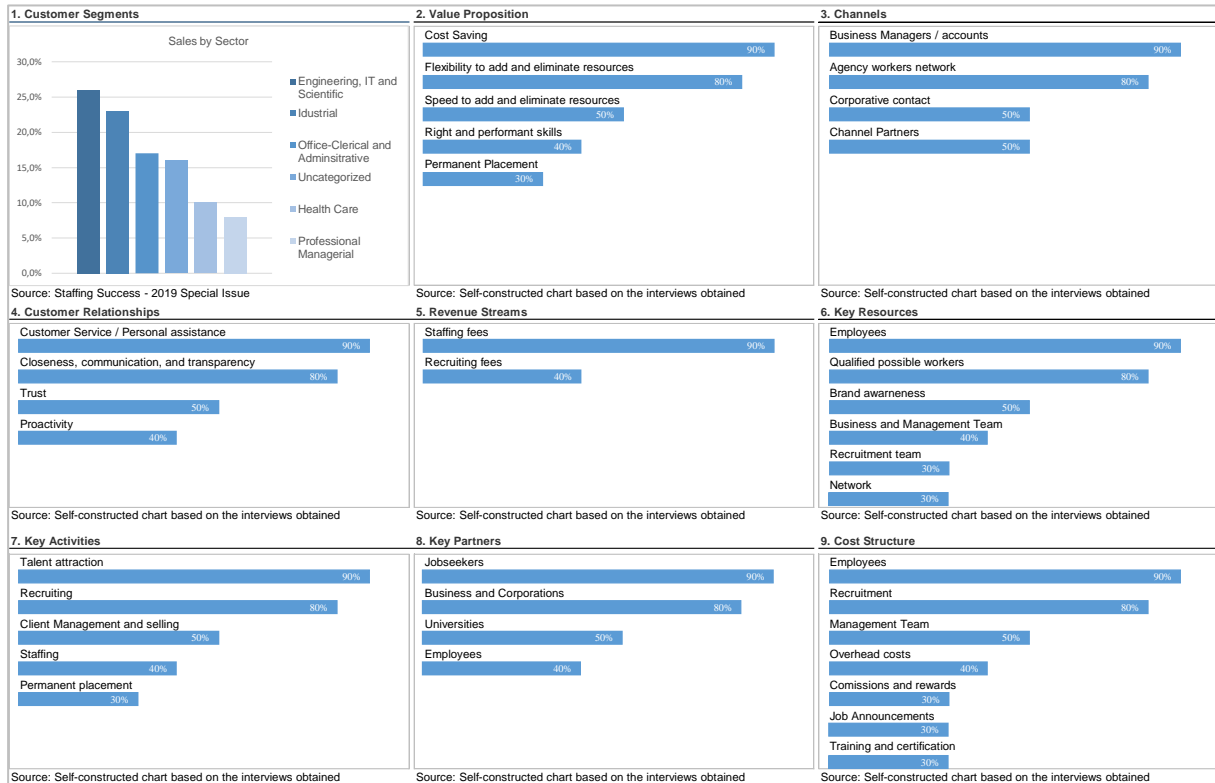
Unlike Customer Segments, the "2. Value Proposal" block shows significant differences. Staffing companies, as seen in the literature review, see Figure 6, bet on a service that will theoretically bring savings and flexibility to customers. Management consulting companies, on the other hand, are committed to solving problems and challenges, generating value through a tailored service, specialised by industry and supported by historical records, above-average teams and research.

Concerning the third block, "Channels" there are also differences. The staffing companies have mentioned that the main channels are the dedicated business managers or business developers and the company's network. Management consulting companies use as main channels the reputation and credentials of other companies in the world, various marketing channels and in addition to the network of partners network alumni.

In terms of customer relations, management consulting companies have referred to using a more tailored service, as well as golden relations even if there are not always services, stated by Mconsulting.C2, *"partnership rather than transitional relationships"*. Staffing companies also focus on more personalised service, whenever possible, and based on trust.

Block 5, "Revenue Streams" shows that staffing companies only receive staffing or recruitment fees. In a first analysis it is possible to say that management consulting companies also receive by consulting fees, however, and according to the interviewees, many of the jobs and publications can be replicated generating more revenue at a lower cost. For example, an international replication as proved by the financial indicators of export. Also, some of these projects or tools can be produced and generate profits and visibility by intellectual property such as the BCG matrix, the Mckynesy 7's matrix, among others.

In terms of "Key Resources" and "Key Activities", block 6 and 7, these become redundant with the comparative analysis already carried out, for example in the "Value Proposition" block. In block 6, credentials, global presence and digital labs continue to be the focus of management consulting companies about staffing companies' points. It is important to note that there are also global companies in the area of staffing with high international expression, however, this point was not so pointed out because the export of talent and hiring is not a consensual and standardised practice, a trend that may be reversing itself with the evolution of new technologies and GIG trends (Inanc, 2018; McKinsey Global Institute, 2018).

In block eight management consulting companies have reported more than 80% of the times that "Key Partners" are strategic business relationships followed by organisations that certify them with international quality certifications. Less frequently, but 40% of respondents also mentioned that they use staffing companies for outsourcing whenever they have specific project needs. This last fact shows how management consulting companies are one step ahead of staffing companies in the value chain.

Regarding Cost Structure, block 9, both types of companies show in a standardised way that employees are the most significant cost source. Most companies strive for a low-cost structure by continuously evaluating costs and prioritizing cost-oriented value creation, for example, both types of companies mentioned training and certification costs. The most important is the staffing companies, which have higher costs in addition to employees, the recruitment processes, commissions and rewards and also the management team, which can mean being characterised by a very functional structure, contrasting with a more matrix management consulting structure.

As a means of comparison, an exercise of overlapping the two BMCs was carried out, resulting in a BMC of differences in the staffing business model compared to the management consulting business model, Figure 44, which results in a conceptual model of transformation.

As it is possible to see the model presents in each of the blocks, the business characteristics to be taken into account so that there is a transformation.

Figure 44 Conceptual BMC transformation model
Source: author's elaboration
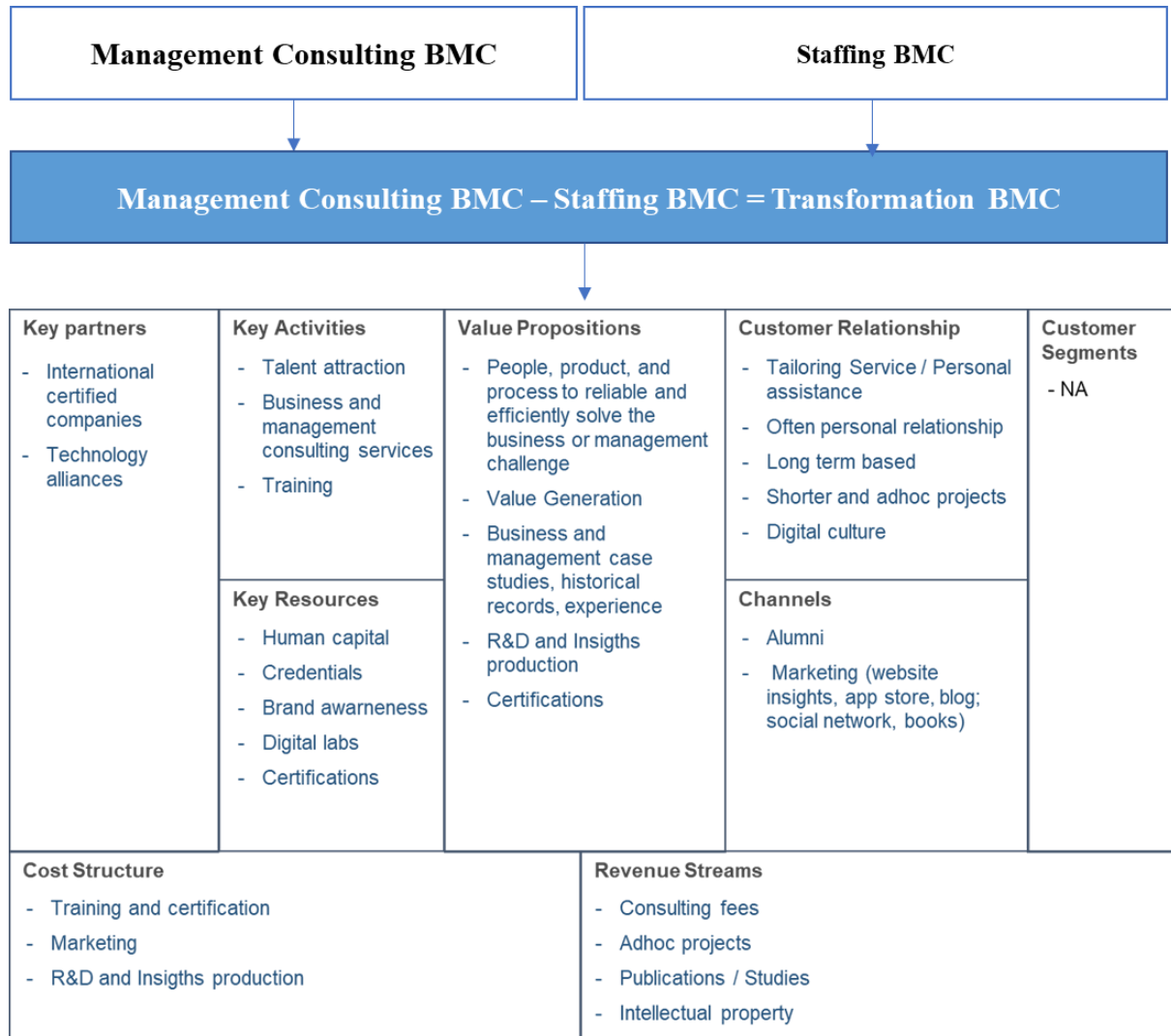
One of the limitations of the BMC model pointed out by some authors (Proença *et al.*, 2015) refers to the possible risks to be taken into account when implementing the generated model. There are investments to be made in money, effort and time and also the involvement of various stakeholders. In this sense, it was an option in this research to make a threat management plan that supports and accompanies the BMC, through a content analysis with text mining all the threats were listed, Figure 45, and defined a response plan, which in this case will also serve as a plan of transformation activities, framed with the conceptual BMC.

Figure 45 Conceptual BMC transformation model threats
Source: author's elaboration
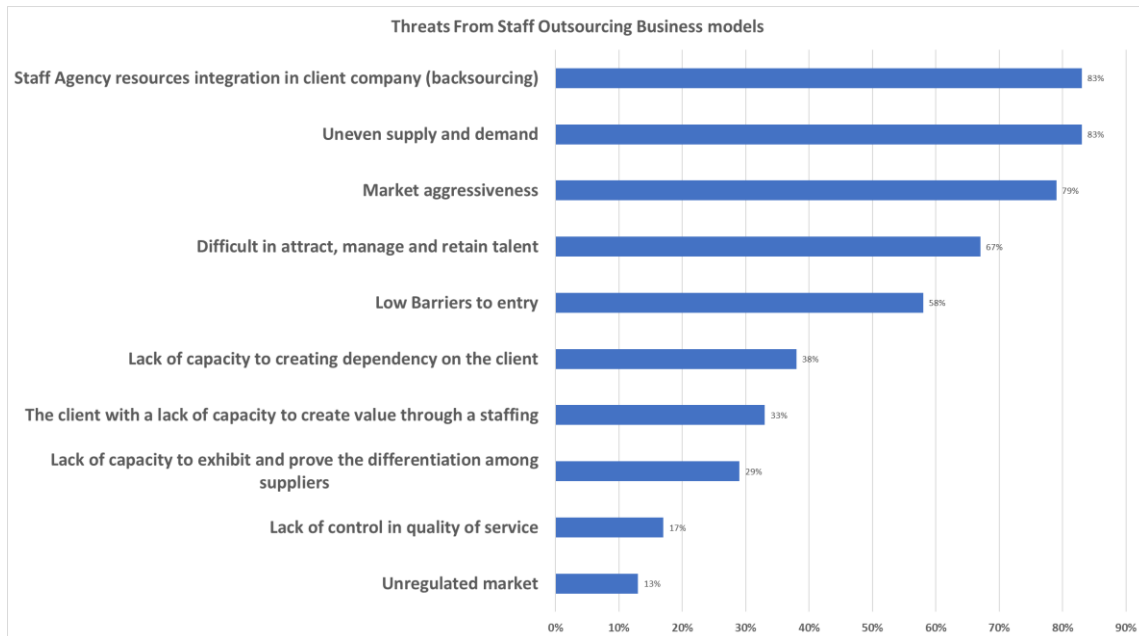
The transformation activities plan was prepared following the risk management practices described in Pmbok guide (Project Management Institute, 2017). It started with a qualitative analysis illustrated in Table 50, all threats were characterised according to the block nine belonging to the BMC, and for each threat possible detailed causes were defined in the interviews and complemented with the results of the literature review, Table 51.

All threats and their causes were classified according to probability and impact (Project Management Institute, 2017). Probability was defined according to the frequency of the threat resulting from the content analysis, and impact was only defined for one of the blocks, "2. Value Preposition" according to an evaluation matrix which can be found in appendix E. As a qualitative analysis, the researcher had the need to consult five specialists in this type of business (partners in management services companies), chosen for convenience that individually classified the impact for home one of the threats. Note that the five people consulted had no access to interviews or literature data.

The results were compiled, and the Cohen's Kappa coefficient was calculated, in which most evaluations showed high levels of agreement, except for the threats "Unregulated market"; "Low Barriers to entry"; and "The client with a lack of capacity to create value through a staffing" which obtained agreement levels below 30% and had to be re-analysed. As a result of the qualitative analysis, a ranking was obtained that could help prioritise the implementation of transformation activities in case it is not possible to execute all the proposed activities.

Table 50 Conceptual BMC transformation model - Qualitative threat analysis
Source: author's elaboration

	Threat Identification				Qualitative Threat Analysis			
Id	**Categories**	**Description**	**Cause Id**	**Cause**	**Prob**	**Imp. On Revenue Streams**	**Imp. Cohen's Kappa**	**Expected Value (EV)**
		Source: Interviews		Source: Interviews + Literature Review	Source: Interviews			
1	Value Propositions	Unregulated market	1.1	The role of staffing is not clearly defined in Portugal	13%	L	0,5	**0,04**
			1.2	Any company can perform this type of service. It is possible, for example, although not ethical, the employee stay in the same client but change staff agency				
2	Key Activities	Lack of control in quality of service	2.1	Staff agency has difficulty / cannot interfere with the employee's direct work	17%	VL	0.6	**0,02**
			2.2	The client does not always show openness to evaluate the employee, and according to Portuguese law, if he does so he may have problems in justifying the external relationship with the employee				
3	Value Propositions	Lack of capacity to exhibit and prove the differentiation among suppliers	3.1	The greatest differentiation is in the quality of the resources and no two resources are the same and it is difficult to make comparisons	29%	L	1	**0,09**
			3.2	Prices cannot be too different in the face of huge competition				
			3.3	Staff agency has difficulty / cannot interfere with the employee's direct work				
4	Value Propositions	The client with a lack of capacity to create value through a staffing	4.1	Resources are used to suppress indirect operational management functions or not always associated with the end product	33%	L	0,4	**0,10**
			4.2	Lack of technical sophistication				
5	Customer Relationship	Lack of capacity to creating dependency on the client	5.1	Strong competition	38%	M	0,6	**0,19**
			5.2	Service based relationship with no easily perceived added value				
			5.3	The quality delivered depends on the capacity of the resources and very little or nothing of the staff Agency				

			5.4	Commoditisation among low skilled roles				
6	Cost Structure	Low Barriers to entry	6.1	Relatively easy to set up a company like this. For a start, it doesn't require a lot of resources or investment	58%	H	0,6	**0,41**
7	Key Resources	Difficult in attract, manage and retain talent	7.1	Strong competition that attracts resources	67%	H	0,8	**0,47**
			7.2	There is no increase in wages because if the client does not increase the assessment it is difficult to increase the resource given the margins are already quite low				
			7.3	Resources lack new challenges and knowledge of other realities because they spend too much time in the same client and with the same function				
			7.4	Resources feel insecure as there may not be a customer in the future where they can collaborate				
			7.5	The resources feel that they do not have the necessary evolution, without a figure of reference or leadership with technical know-how, have little or no training and no career plan. Evaluation is highly subjective and sometimes based only on the number of hours billed to the client				
			7.6	There is no relationship with the company or very little as the day-to-day is with the client and the company is only "used" for receiving and handling administrative processes				
			7.7	New generations with work life balance motivations				
			7.8	Resources feel apart from the client's colleagues (not even the Christmas party goes)				
8	Value Propositions	Market aggressiveness	8.1	Strong market demand in this service	79%	M	0,6	**0,40**
			8.2	Market with limited supply of specialised staff				
9	Value Propositions	Uneven supply and demand	9.1	Clients are unable to hire internally and use this service in place of the recruitment service	83%	VH	1,0	**0,75**
			9.2	Market with limited supply of specialised staff				
10	Key Resources	Staff Agency resources integration in	10.1	Changes in client business model	83%	VH	1,0	**0,75**

		client company (backsourcing)						
			10.2	Legal / market labor issues				

Table 51 Conceptual BMC transformation model - Threat response strategy
Source: author's elaboration

	Threat Identification				Response Strategy	
Id	Categories	Description	Cause Id	Cause	Strategies	Transformation Plan
		Source: Interviews		**Source: Interviews + Literature Review**		
1	Value Propositions	Unregulated market	1.1	The role of staffing is not clearly defined in Portugal	Acceptance	NA
			1.2	Any company can perform this type of service. It is possible, for example, although not ethical, the employee stay in the same client but change staff agency	Mitigation	Mitig.CC4. Ensuring that staffing contracts contain clauses to limit customers from acquiring resources or using them via other companies
					Transformation	Trans.AW2. Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging
2	Key Activities	Lack of control in quality of service	2.1	Staff agency has difficulty / cannot interfere with the employee's direct work	Transformation	Trans.CC1. Prioritise the sale of projects, with well-defined objectives and risk sharing with the client, in the face of staffing services
					Mitigation	Mitig.CC1. Encouraging the sale of encapsulated consultancy service in a staffing contract
			2.2	The client does not always show openness to evaluate the employee, and according to Portuguese law, if he does so he may have problems in justifying the external relationship with the employee	Transformation	Trans.AW1. Ensure that resources work mostly through project-based and respond only to an entity that sets periodic work objectives, supports, trains, evaluates and protects them
					Mitigation	Mitig.CC1. Encouraging the sale of encapsulated consultancy service in a staffing contract
					Mitigation	Mitig.CC2. Enhancing contracts with incentives for customer service evaluation
3	Value Propositions	Lack of capacity to exhibit and prove the differentiation among suppliers	3.1	The greatest differentiation is in the quality of the resources and no two resources are the same and it is difficult to make comparisons	Transformation	Trans.AW2. Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging
			3.2	Prices cannot be too different in the face of huge competition	Transformation	Trans.CC2. Ensure through projects the quantification and perception of value delivered to the customer
					Mitigation	Mitig.CC5. To promote the sale / offer of complementary coaching services or training of senior resources
			3.3	Staff agency has difficulty / cannot interfere with the employee's direct work	Transformation	Trans.CC1. Prioritise the sale of projects, with well-defined objectives and risk sharing with the client, in the face of staffing services

					Mitigation	Mitig.CC1. Encouraging the sale of encapsulated consultancy service in a staffing contract
4	Value Propositions	The client with a lack of capacity to create value through a staffing	4.1	Resources are used to suppress indirect operational management functions or not always associated with the end product	Transformation	Trans.CC2. Ensure through projects the quantification and perception of value delivered to the customer
					Transformation	Trans.CC1. Prioritise the sale of projects, with well-defined objectives and risk sharing with the client, in the face of staffing services
					Mitigation	Mitig.CC1. Encouraging the sale of encapsulated consultancy service in a staffing contract
			4.2	Lack of technical sophistication	Transformation	Trans.SA1. Promote the constant improvement of the portfolio of services provided, complemented with an aggressive policy of research, production and discussion of insights anticipating industry needs
5	Customer Relationship	Lack of capacity to creating dependency on the client	5.1	Strong competition	Transformation	Trans.SA1. Promote the constant improvement of the portfolio of services provided, complemented with an aggressive policy of research, production and discussion of insights anticipating industry needs
					Transformation	Trans.SA2. Promote specialisation in the face of generalisation in industries by creating distinctive skills
					Transformation	Trans.SA6. Promote a constant and close connection between former employees (alumni) and the company through tailored advice, playful moments and sharing relevant information about the company
			5.2	Service based relationship with no easily perceived added value	Transformation	Trans.CC2. Ensure through projects the quantification and perception of value delivered to the customer
			5.3	The quality delivered depends on the capacity of the resources and very little or nothing of the staff Agency	Transformation	Trans.CC1. Prioritise the sale of projects, with well-defined objectives and risk sharing with the client, in the face of staffing services
			5.4	Commoditisation among low skilled roles	Transformation	Trans.AW2. Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging
6	Cost Structure	Low Barriers to entry	6.1	Relatively easy to set up a company like this. For a start, it doesn't require a lot of resources or investment	Transformation	Trans.SA1. Promote the constant improvement of the portfolio of services provided, complemented with an aggressive policy of research, production and discussion of insights anticipating industry needs
					Transformation	Trans.SA2. Promote specialisation in the face of generalisation in industries by creating distinctive skills

					Transformation	Trans.SA4. Promote and ensure the know-how and assets of the company through a continuous transfer of knowledge of projects and maximise their replicability through historical records, lessons learned, production and case studies
7	Key Resources	Difficult in attract, manage and retain talent	7.1	Strong competition that attracts resources	Transformation	Trans.AW2. Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging
			7.2	There is no increase in wages because if the client does not increase the assessment it is difficult to increase the resource given the margins are already quite low	Transformation	Trans.AW2. Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging
			7.3	Resources lack new challenges and knowledge of other realities because they spend too much time in the same client and with the same function	Mitigation	Mitig.AW3. Promote and facilitate to all employees, the definition of a maximum consecutive work period per client / client department, so that they can experience other realities
					Transformation	Trans.AW1. Ensure that resources work mostly through project-based and respond only to an entity that sets periodic work objectives, supports, trains, evaluates and protects them
			7.4	Resources feel insecure as there may not be a customer in the future where they can collaborate	Transformation	Trans.AW2. Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging
			7.5	The resources feel that they do not have the necessary evolution, without a figure of reference or leadership with technical know-how, have little or no training and no career plan. Evaluation is highly subjective and sometimes based only on the number of hours billed to the client	Mitigation	Mitig.AW2. Promote and ensure to all employees an annual training plan in accordance with the needs of their work as a customer
					Mitigation	Mitig.CC3. Encourage contracts with the client that include hours of absence of resources for internal training reasons without penalty in invoicing
					Transformation	Trans.AW1. Ensure that resources work mostly through project-based and respond only to an entity that sets periodic work objectives, supports, trains, evaluates and protects them
					Transformation	Trans.SA4. Promote and ensure the know-how and assets of the company through a continuous transfer of knowledge of projects and maximise their replicability through historical records, lessons learned, production and case studies
			7.6	There is no relationship with the company or very little as the day-to-day is with the client and the company is only "used" for receiving and handling administrative processes	Mitigation	Mitig.SA1. Promote and ensure that all employees receive relevant information about the company as well as the possibility of communication

					Transformation	Trans.SA5. Promote a constant and close connection between employees and the company through active participation actions, playful moments and sharing relevant information about the company
			7.7	New generations with work life balance motivations	Transformation	Trans.AW3. Ensure the adaptation of needs and objectives between the company and employees through a balance of the number of working hours and location (WL balance)
			7.8	Resources feel apart from the client's colleagues (not even the Christmas party goes)	Mitigation	Mitig.AW1. Encouraging and alerting the customer to treat external employees in a similar manner to their employees
					Transformation	Trans.AW1. Ensure that resources work mostly through project-based and respond only to an entity that sets periodic work objectives, supports, trains, evaluates and protects them
8	Value Propositions	Market aggressiveness	8.1	Strong market demand in this service	Transformation	Trans.SA1. Promote the constant improvement of the portfolio of services provided, complemented with an aggressive policy of research, production and discussion of insights anticipating industry needs
					Transformation	Trans.SA2. Promote specialisation in the face of generalisation in industries by creating distinctive skills
			8.2	Market with limited supply of specialised staff	Transformation	Trans.AW2. Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging
9	Value Propositions	Uneven supply and demand	9.1	Clients are unable to hire internally and use this service in place of the recruitment service	Mitigation	Mitig.CC4. Ensuring that staffing contracts contain clauses to limit customers from acquiring resources or using them via other companies
			9.2	Market with limited supply of specialised staff	Transformation	Trans.AW2. Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging
10	Key Resources	Staff Agency resources integration in client company (backsourcing)	10.1	Changes in client business model	Mitigation	Mitig.CC4. Ensuring that staffing contracts contain clauses to limit customers from acquiring resources or using them via other companies
					Mitigation	Mitig.SA2. Promote and ensure to all former employees (alumni) the periodic organisation of playful moments and points of contact between employees and the company
					Mitigation	Mitig.SA3. Fostering in Business Managers, the creation of close, trusting relationships and the incessant search for new opportunities with clients

					Transformation	Trans.SA6. Promote a constant and close connection between former employees (alumni) and the company through tailored advice, playful moments and sharing relevant information about the company
					Transformation	Trans.SA3. To persistently foster in all employees the creation of close, trusting relationships and the incessant search for new opportunities with customers
				10.2	Legal / market labor issues	Transformation	Trans.CC1. Prioritise the sale of projects, with well-defined objectives and risk sharing with the client, in the face of staffing services

In the previous table, it is also possible to analyse the response plan prepared and classified according to the type of strategy for which a visible dictionary has been defined in appendix E.

Table 52 shows all transformation activities. All activities proposed as a response to threats resulted from crossing primary data with secondary data from the management consulting business model. All activities were identified according to the most relevant activity object, for example, activities that impact directly on the customer company were identified as Trans.CCn, activities that impact on employees (agency workers) were classified as Trans.AWn and activities with a direct impact on the staff agency were identified as Trans.SAn.

Transitioning to a project sale as an alternative or complement to staffing services and quantifying and demonstrating the value contributed to the customer are the activities defined as impacting directly on the customer. Although the first activity had to be a mandatory predecessor to the following activity, it was apparent from the interviews that virtually all consulting companies worked through projects or time-sharing packages, but not all of them mentioned and emphasised the importance of measurement and demonstration of value. Exception for the big four and other large companies, which referred to the strong demonstration of value as a critical point of success and as ensuring the continuity of the relationship with the client. Three activities with a direct impact on employees were defined in accordance with the consultancy's good practices.

Ensuring that employees work through projects, with concrete objectives supported by an evaluation model in addition to being aligned with management consulting practices responds directly to the threats defined by respondents from staffing companies. This activity is complemented with an accurate hiring of "problem solvers" consultants, uninterrupted training

and also combining the individual and company objectives are part of a strategy of retention of the best that will result in more value delivered and received from customers.

Regarding the activities more directly related to the Staff Agency and the business model, the constant innovation of the portfolio, as well as the R&D work, are central so that there can be a specialisation by industry and consequent distinction, as mirrored in the first two activities in this category. The remaining activities should be part of the company's culture, i.e. alignment with teamwork principles in which all employees should contribute with business opportunities and ensure standardised registration and dissemination of knowledge across the company network. Close, satisfied employees who know the company's levels of rigour and excellence in case they leave will return to contact, but this time as customers.

In total, 11 transformation activities have been defined and used in 34 times. In the Pareto diagram, Figure 46, it is visible that the Trans.AW2 and Trans.CC1 activities were the most used, 8 and 5 times, respectively corresponding to approximately 45% of the required solutions.

Table 52 Conceptual BMC - Transformation activities
Source: author's elaboration

ID	Transformation Activities
Trans.CC1	Prioritise the sale of projects, with well-defined objectives and risk sharing with the client, in the face of staffing services
Trans.CC2	Ensure through projects the quantification and perception of value delivered to the customer
Trans.AW1	Ensure that resources work mostly through project-based and respond only to an entity that sets periodic work objectives, supports, trains, evaluates and protects them
Trans.AW2	Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging
Trans.AW3	Ensure the adaptation of needs and objectives between the company and employees through a balance of the number of working hours and location (WL balance)
Trans.SA1	Promote the constant improvement of the portfolio of services provided, complemented with an aggressive policy of research, production and discussion of insights anticipating industry needs
Trans.SA2	Promote specialisation in the face of generalisation in industries by creating distinctive skills
Trans.SA3	To persistently foster in all employees the creation of close, trusting relationships and the incessant search for new opportunities with customers
Trans.SA4	Promote and ensure the know-how and assets of the company through a continuous transfer of knowledge of projects and maximise their replicability through historical records, lessons learned, production and case studies
Trans.SA5	Promote a constant and close connection between employees and the company through active participation actions, playful moments and sharing relevant information about the company
Trans.SA6	Promote a constant and close connection between former employees (alumni) and the company through tailored advice, playful moments and sharing relevant information about the company

Figure 46 Pareto chart transformation activities
Source: author's elaboration
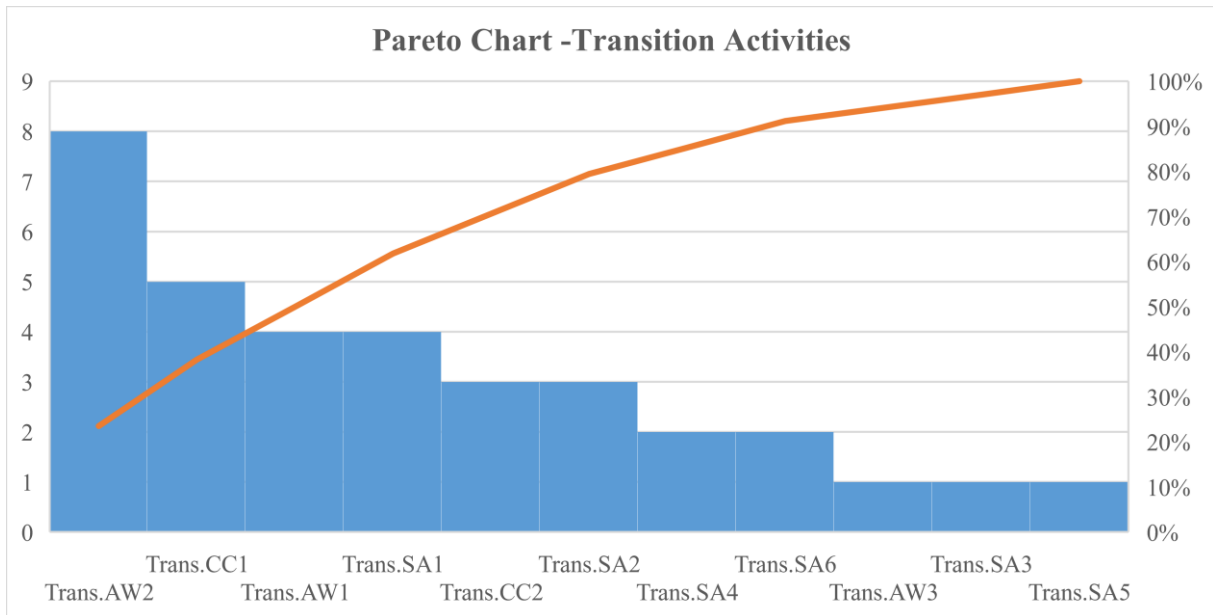
Although not defined as one of the initial objectives of this research, and given the existing raw material, it was decided to suggest a threat mitigation plan in addition to a transformation plan. This is because it is not always possible to transform the company from one moment to the next for various reasons, for example, it takes know-how and some wisdom to lead a team that adds value to customers (Christensen *et al.*, 2013), financial investment may be required or it may involve breaking down or aligning with new partners and customers. This may be an option for many of the staffing companies in the first instance to try to optimise the business model, not by transforming, but by mitigating threats.

Table 53 lists all mitigation activities already used in Table 50 as a mitigation plan. In total, 11 mitigation activities have been defined and used 16 times. The activity "Mitig.CC1 Encouraging the sale of encapsulated consultancy service in a staffing contract" was used four times. This activity was suggested by some interviewees and resembled in the literature something closer to the genuine concept of outsourcing. The activity "Mitig.CC4 Ensuring that staffing contracts contain clauses to limit customers from acquiring resources or using them via other companies", which aims to combat one of the most impacting threats, customers use this service to obtain recruitment so that for the business model to prosper customers must be alerted and companies protected from this fact.

Table 53 Conceptual BMC - Mitigation activities
Source: author's elaboration

ID	Mitigation Activities
Mitig.CC1	Encouraging the sale of encapsulated consultancy service in a staffing contract
Mitig.CC2	Enhancing contracts with incentives for customer service evaluation
Mitig.CC3	Encourage contracts with the client that include hours of absence of resources for internal training reasons without penalty in invoicing
Mitig.CC4	Ensuring that staffing contracts contain clauses to limit customers from acquiring resources or using them via other companies
Mitig.CC5	To promote the sale / offer of complementary coaching services or training of senior resources
Mitig.AW1	Encouraging and alerting the customer to treat external employees in a similar manner to their employees
Mitig.AW2	Promote and ensure to all employees an annual training plan in accordance with the needs of their work as a customer
Mitig.AW3	Promote and facilitate to all employees, the definition of a maximum consecutive work period per client / client department, so that they can experience other realities
Mitig.SA1	Promote and ensure that all employees receive relevant information about the company as well as the possibility of communication
Mitig.SA2	Promote and ensure to all former employees (alumni) the periodic organisation of playful moments and points of contact between employees and the company
Mitig.SA3	Fostering in Business Managers, the creation of close, trusting relationships and the incessant search for new opportunities with clients

5.3 Conceptual model validation

After defining the conceptual transformation plan, a questionnaire was carried out in order to obtain a degree of validation of the same in order to increase the degree of confidence and make the output of this work more robust in scientific terms.

As already mentioned in Chapter IV - Data Analysis, the questionnaire was put online on November 26, 2019, and closed on December 3, 2019. In total 132 responses were received, however, 12 of them (9%) were not considered because the respondents indicated no experience, or less than three years experience, in all four questions prepared for this purpose: a) experience in management consulting supplier management; b) staffing supplier management; c) as a management consulting service provider; d) experience as a staffing service provider. In Figure 47 it is possible to see the answers to these four questions by number of years of experience and to conclude that 64% of the respondents have more experience (>5 years) in the area of management consulting than in the business of staffing, 34% of the sample specifically mentioned experience as a management consulting service provider.

Figure 47 Number of years of experience
Source: author's elaboration
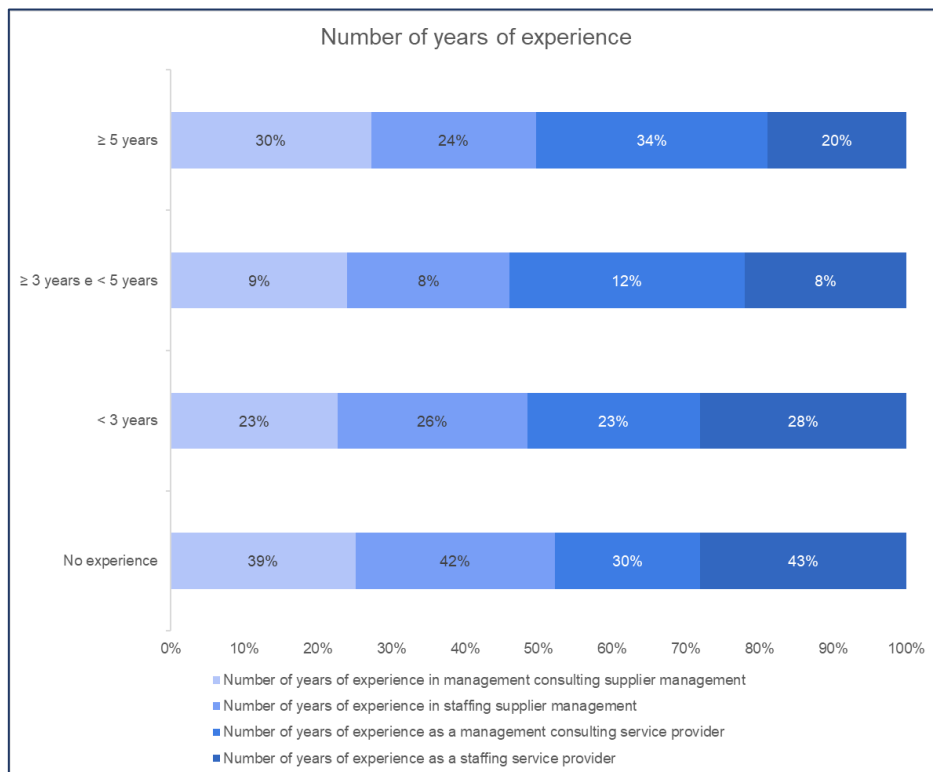
As a form of validation of the conceptual transformation plan, an evaluation of each of the responses to the eleven threats already identified in Table 52 was requested, resulting in 32 variables. After analysing the results, it was intended to test concretely whether the transformation activity plan is valid in the face of existing threats, and two hypotheses were formulated for this purpose,

- H0: The proportions of results are equal, "P=0.5"
- H1: The proportions of results are different, one of the proportions dominates

A proportion comparison test was carried out in which the sum of variables with a classification below 4 in which

- 1 is equivalent to the classification of "totally disagree".
- 2 is equivalent to the classification of "partially disagree" and
- 3 is equivalent to the classification of "or partially agree".

With the sum of variables rated 4, i.e. "I totally agree".

After the proportions test, with a result of 0.295 the PValue was calculated with a value of 0.768, greater than 0.05 and it is therefore not possible to reject H0 to the conclusion that the difference between the two proportions is not statistically significant. It cannot be confirmed with certainty that the transformation plan presented is totally valid in the face of threats. In another scenario and if the proportions of variables <2 and >=2 are compared the scenario is different, the test value for comparison of proportions takes the value of 7.458 with a PValue of 8.748.

According to the results and assuming only the proportionally higher responses, i.e., where the comparison of proportions is higher for the classification variable >3, the final conceptual plan of transformation activity against the threats is presented in Table 54. Note that the answers "Trans.CC1. Prioritise the sale of projects, with well-defined objectives and risk sharing with the client, in the face of staffing services"; "Trans.AW1. Ensure that resources work mostly through project-based and respond only to an entity that sets periodic work objectives, supports, trains, evaluates and protects them"; "Trans.SA3.

To persistently foster in all employees the creation of close, trusting relationships and the constant search for new opportunities with customers"; and "Trans.SA6. Promote a constant and close connection between former employees (alumni) and the company through tailored advice, playful moments and sharing relevant information about the company".

Table 54 Final conceptual BMC model: From staffing to management consulting business model

Source: author's elaboration

Conceptual BMC Conversion model: From Staffing to Management Consulting Business Model.

Key partners
- International certified companies
- Technology alliances

Key Activities
- Talent attraction
- Business and management consulting services
- Training

Key Resources
- Human capital
- Credentials
- Brand awarneness
- Digital labs
- Certifications

Value Propositions
- People, product, and process to reliable and efficiently solve the business or management challenge
- Value Generation
- Business and management case studies, historical records, experience
- R&D and Insigths production
- Certifications

Customer Relationship
- Tailoring Service / Personal assistance
- Often personal relationship
- Long term based
- Shorter and adhoc projects
- Digital culture

Channels
- Alumni
- Marketing (website insights, app store, blog; social network, books)

Customer Segments
- NA

Cost Structure
- Training and certification
- Marketing
- R&D and Insigths production

Revenue Streams
- Consulting fees
- Adhoc projects
- Publications / Studies
- Intellectual property

Transition activities

Staff Agency

Trans.SA1.
Promote the constant improvement of the portfolio of services provided, complemented with an aggressive policy of research, production and discussion of insights anticipating industry needs

Trans.SA2.
Promote specialisation in the face of generalisation in industries by creating distinctive skills

Trans.SA4.
Promote and ensure the know-how and assets of the company through a continuous transfer of knowledge of projects and maximise their replicability through historical records, lessons learned, production and case studies

Trans.SA5.
Promote a constant and close connection between employees and the company through active participation actions, playful moments and sharing relevant information about the company

Threats

Staff Agency resources integration in client company (backsourcing)

Uneven supply and demand

Market aggressiveness

Difficult in attract, manage and retain talent

Low Barriers to entry

Lack of capacity to creating dependency on the client

Client with a lack of capacity to create value through a staffing

Lack of capacity to exhibit and prove the differentiation among suppliers

Lack of control in quality of service

Unregulated market

Client Company

Trans.CC2.
Ensure through projects the quantification and perception of value delivered to the customer

Agency Workers

Trans.AW2.
Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging

Trans.AW3.
Ensure the adaptation of needs and objectives between the company and employees through a balance of the number of working hours and location (WL balance)
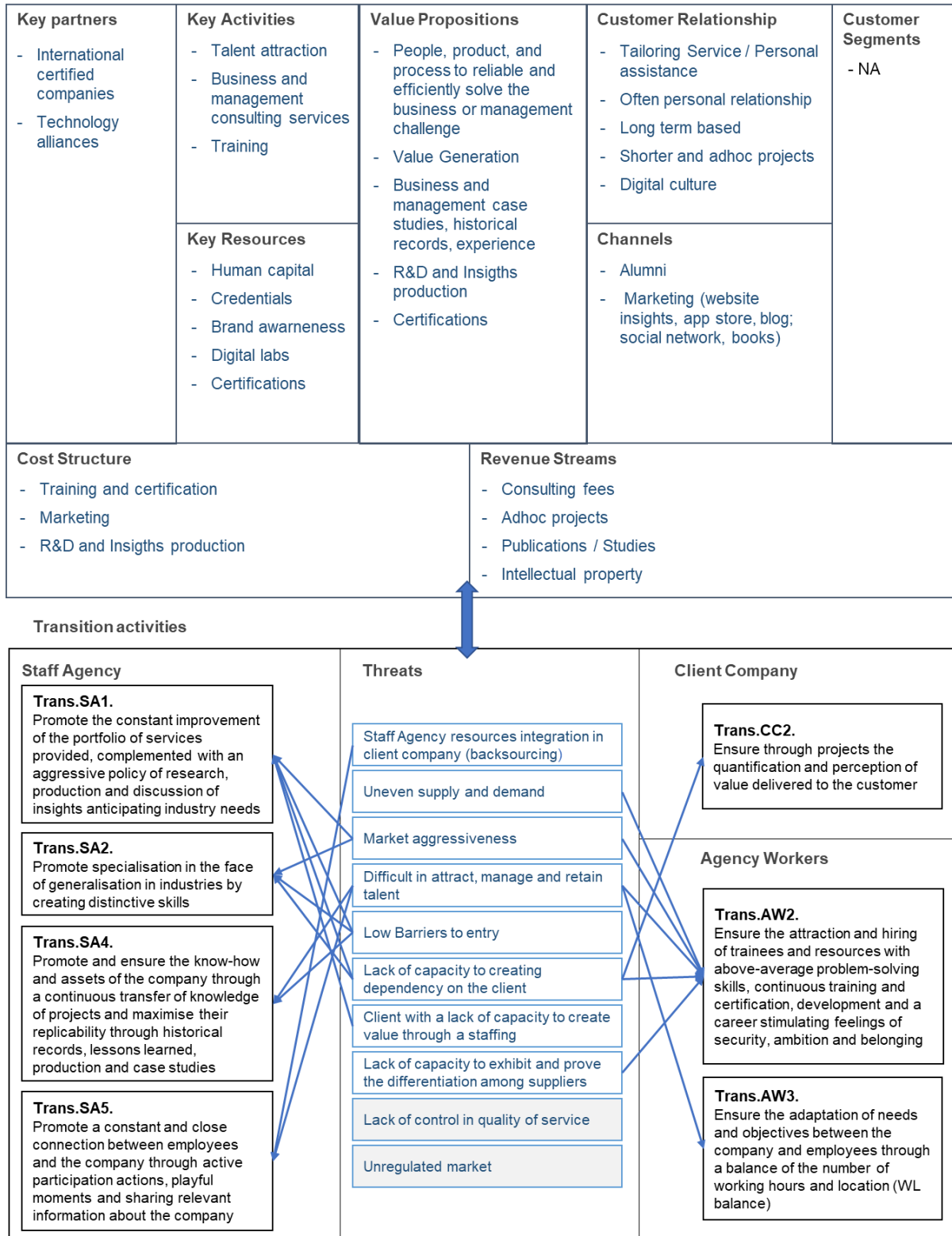
Table 55 shows part of the correlations found. It is possible to observe several cells with asterisks that represent correlations between variables, in this case, a statistically significant correlation or one that is statistically different from zero. Highlight the experience variables where it is possible to conclude that:

a) The variation of the variable "Number of years of experience in management consulting supplier management" is combined with the variation in responses "Trans.CC1. Prioritise the sale of projects, with well-defined objectives and risk sharing with the client, in the face of staffing services"; "Trans.AW1. Ensure that resources work mostly through project-based and respond only to an entity that sets periodic work objectives, supports, trains, evaluates and protects them"; and "Trans.SA6. Promote a constant and close connection between former employees (alumni) and the company through tailored advice, playful moments and sharing relevant information about the company". Curiously, answers that were not included in the final conceptual model;

b) The variation of the variable "Number of years of experience as a management consulting service provider" is combined with the variation in responses "Trans.AW2 Ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career stimulating feelings of security, ambition and belonging" e "Trans.SA6. Promote a constant and close connection between former employees (alumni) and the company through tailored advice, playful moments and sharing relevant information about the company";

c) The variation of the variable "Number of years of experience in staffing supplier management" is combined with the variation in responses "Trans.SA2 Promote specialisation in the face of generalisation in industries by creating distinctive skills".

Table 55 Final conceptual model validation – Correlations example

Source: author's elaboration

	NA1	NA2	NA3	NA4	Q1.R1	Q1.E5	Q1.C1	Q2.R2	Q2.C1	Q3.R2	Q3.R4	Q3.E2
NA1	1,000											
NA2	,766**	1,000										
NA3	,395**	0,233	1,000									
NA4	0,242	,386*	,500**	1,000								
Q1.R1	0,087	0,076	-0,011	-0,040	1,000							
Q1.E5	0,027	0,013	0,161	0,097	-0,014	1,000						
Q1.C1	-0,054	0,015	-0,007	0,070	,350**	0,061	1,000					
Q2.R2	0,042	-0,030	0,075	0,230	0,060	,235*	0,040	1,000				
Q2.C1	-,256*	-0,223	-0,022	-0,030	,432**	0,073	,586**	-0,113	1,000			
Q3.R2	0,220	0,105	0,166	0,080	0,015	,199*	0,143	,533**	0,015	1,000		
Q3.R4	0,034	0,051	-0,215	-0,135	,279**	0,167	,226*	0,108	,315**	,184*	1,000	
Q3.E2	0,103	0,180	-0,025	0,046	0,086	,205*	,227*	,214*	0,120	,396**	,316**	1,000

CHAPTER VI - CONCLUSIONS

After a long journey, it is time to conclude and answer the question that guided this investigation, the evolution of a business model of services with high risks given the limited value it brings to customers, where the current focus is "only" the transactional delivery of capacity, an opportunism subordinated to market volatility which translates into limited assets and know-how. In Portugal, in many large and medium-sized companies, the service of resource supply with management functions, the so-called white collars (Underhill & Quinlan, 2011), is known and designated as outsourcing, which is why this work began with the validation of the research problem related to the risks of an outsourcing business model from the perspective of the supplier.

A thorough review of the recent literature showed that the term outsourcing turned out to be different from reality, all the characteristics pointed to a different type of service, and it was necessary to take a step back and assess the differences and points of interception between outsourcing and the right concept intended to study, staffing business models.

Fisher at al. (2008) reinforce that *"the human resource management implications of outsourcing have been relatively unexplored"*. There is overlapping of staffing terms such as HRO and ASO with the concept of BPO in outsourcing, the concept of Body shopping is very similar to the concept of staffing, the terms "sub-contract" and "subcontract" are presented with very different meanings, and it is not easy to distinguish the interception with temporary work. Terms such as "Staffing", "Hiring" and "Co-employment" are used in the same way, even taking into account different meanings by some authors studying staffing.

The term "outstaffing", as described in the literature, seems essential, given the impact on the economy, but it is little talked about, and on the subject of staffing a similar term is not found in the literature. Clarification and standardisation of these concepts become essential and will bring added value to the scientific community and business stakeholders. In Portugal, 120 professionals with experience in the area, through a questionnaire defined the term outsourcing in a vague and disparate way, the answers worked through text mining reveal that the five most used words lead to a possible conclusion that the concept of outsourcing is characterised as "hiring services of external resources". The results also showed that the respondents indicated that in hiring outsourcing what counts most is the profile in question and not the name, relationship or credentials of the company. These two facts, before the sample obtained, corroborate with the conclusion that in Portugal the concept of staffing is often encapsulated

outsourcing, which contradicts the most recent literature. Here is a window of investigation to know the "why" of this difference.

To answer the central research question, besides an analysis of the most recent literature, a detailed analysis of the business models of management consulting and staffing companies was performed through a total of 62 semi-structured interviews. The main conclusions are that management consulting business models present more profitability and sustainable competitive advantages as opposed to staffing business models, a visible difference when comparing the organisation in the various dimensions of the value chain of both business models, the strategies of innovation, customer relations and attracting, evolving and retaining talent.

Both types of companies, management consulting and staffing, operate in a B2B business model in which the objective is to provide services. Figure 41 illustrates a value chain approach of both types of business models where similarities in terms of customer orientation can be observed, however, there are several differences in primary activities. In the management consulting business, delivery takes place through projects and coaching carried out by mixed and specialised teams, often being a black box for the client who buys results and not tasks and people. In the case of staffing, the same does not happen, the output to the market is typical "just" workforce.

Recruitment is a very relevant point for both types of businesses, however, with different requirements. In the staffing business, it was indicated that the client commands all the requirements and in the management consulting business the requirements are defined by the company and the problem solving and soft skills stand out as the main characteristics sought at the time of hiring. The investment in R&D is in the DNA of management consulting companies, and a fact is proven by the existence of teams dedicated to research and publication of insights, laboratories for experimentation, adaptation and production of work.

In the staffing business, this is not a priority and is not part of its value chain as shown in Table 8 regarding the financial data analysed, only management consulting companies invest in R&D expenses, (0.02%). In this sense, R&D is not part of the value chain of the staffing business. Unlike the staffing business, management consulting companies also invest in the registration, production and dissemination of knowledge to employees and customers, thus increasing the value of relationships and trust and generating business opportunities either through customer requests or through suggestions for improvement or comparisons with the competition highly appreciated by the customer. The staffing companies, without this knowledge asset, face the

business development activity with higher criticality and focus having specialised teams dedicated only to business development.

In both type of businesses, it has been demonstrated that there is a concern to innovate the portfolio, however, the object of innovation is not the same. In the staffing business innovation happens more at the level of business support activities, unlike the management consulting companies that referred mostly to innovation at the level of the portfolio of services, for example, innovation segmented by industry supported by design laboratories and development of concepts and insights and also by a network of the group that allows them to innovate and replicate quickly through the network. In comparison, the establishment of partnerships with companies and universities was mentioned several times by staffing companies, but it was mentioned that innovation and replication are tricky when it comes to people and specific tasks carried out in clients, except for nearshoring services that represent outsourcing and not staffing and that can be models to replicate.

The services business is only possible through the relationship with customers, and the analysis carried out showed that, in this specific point, there are no significant differences in the two business models. It is possible to conclude that in the staffing business it may be relatively easier to maintain contact with the client as resources remain for long periods and projects are typically shorter. On the other hand, when the resource leaves, a transactional relationship ends that, if it has not been fueled with confidence and added value, may end or be on an equal footing with other competitors again.

Comparing the two businesses, there are some differences to be noted, both in the attraction, retention and even the way the resources come out of the company. In general, management consulting companies seek strong analytical and problem-solving skills from their employees. Recruitment in most of these companies takes place proactively, while staffing companies recruit reactively according to client requests and needs and exceptions have been analysed. Working sustainably, balancing personal and professional life and also with the possibility of creating something, together with international experiences are the practices that management consulting companies say are most successful in evolving and retaining employees. Staffing companies as a way of retaining resources, foster proximity and relationship and activities such as training and project rotation. Training does not take place transversally and often takes place in a post-work format so as not to penalise the hours to be charged to the client. Curiously, it was mentioned in management consulting interviews that a certain percentage of rotation is natural and healthy for companies, as it allows them to maintain their pyramid structure and be

sustainable over time. There are even consulting companies that help consultants in the moment of transition being the goal that everyone leaves the company happy and satisfied and can become future clients. In the staffing business and opposite poles all the effort is so that the resource does not leave the client company, if resource goes to the client's staff (core employee), staff agency will lose direct business, if it goes to another place, there is the risk of no replacement in the client company. There is currently a latent concern in staffing companies to protect themselves from clients who use this service as a form of recruitment.

The profitability analysis of both types of business models was not at all conclusive, however, the profitability, operational and structure data shown is pending in order to make the consulting business more profitable, although the subject requires further investigation.

Concerning threats and the future, thoughts diverge, consulting companies foresee a strong need to adapt to a more consolidated market where there will be more sophisticated and demanding clients, forcing consultants to ensure a higher level of certification and sector experience.

Regarding the staffing business, several reports point out that due to the lack of know-how and peaks in client companies there is a huge demand and that the market will continue to grow, but there are also opinions that the level of competitiveness can or will make the business model unsustainable. Staffing is perceived by some clients as a form of financing and recruitment and given the ease of creating such a business may appear competing companies creating even more division and competition in the market. Also, the employees that today work in a staffing model will have another perspective of work and mobility, in an era of digitalisation the platforms will make the business of staffing even more transactional and employees will increasingly opt for freelance connections in the areas of IT and some areas of management.

To survive some staffing companies have mentioned that they will have to evolve and adapt, for example, have a customer team sold as staffing but coordinated by a manager and allow the customer to work in project mode contributing and demonstrating the value delivered. Other companies want to evolve into product areas, outsourcing, nearshore and have more specific offers in niche markets.

Through the VRIO (value-rarity-imitability-organisation) technique, it was evaluated to what extent the resources of both types of companies meet the criteria of sustained competitive advantage, as demonstrated in Table 11. In management consulting companies, only the "Consultants" resource was considered as providing temporary competitive advantages, and all other resources were able to create sustainable competitive advantages. The Client

Relationships resource was the only resource identified as providing sustainable competitive advantages for staffing companies, and the R&D and Know-How resources demonstrate competitive parity.

The work on the conceptual model started with the literature review through a theoretical Business Model Canvas (BMC). In comparative terms, the results of the interviews of the management consulting business model show that it is not much different from the data obtained in the literature review. Concerning the staffing business model, some differences were detected that might represent gaps in the current literature. As a final output of the research, a theoretical, conceptual model based on the Business Model Canvas (BMC) was presented, accompanied by a transformation plan contemplating the primary threats identified by the interlocutors of the staffing companies. There was the concern of not presenting any activities that directly impacted the margin, for example, to respond to the threat of limited supply would be easy to suggest lowering the sales price or increasing the salary of employees.

A total of 11 transformation activities were defined. After a questionnaire was carried out in order to obtain a degree of validation of the questionnaire in order to increase confidence and make the output of this work more robust in scientific terms, seven activities remained, and two of the threats did not obtain any valid response. It is important to emphasise that the model presented is intended to be of transformation and not of initiation, being that the staffing companies do not start from scratch, on the contrary, making the shift of the business model, the companies should take advantage of the employees who are in customers so that they can assess needs that are often not within reach of top managers and try to sell through solutions studied for this purpose.

Although it was not defined as one of the initial objectives of this research, and given the existing raw material, it was also decided to suggest a threat mitigation plan, since it is not always possible to transform the company from one moment to the next for various reasons. This may be an option for many of the staffing companies in the first phase to try to optimise the business model, not transforming, but mitigating threats.

As a final conclusion, despite the differences found in the way companies operate, it can be concluded that, in general, both types of business models work. In fact, staffing companies have different mechanisms, methods, strategies and approaches that differentiate them in the market and characterise their business models. Although some of the interviewees state that human resources companies do not contribute value, or contribute limited value, by analysing the

turnover, it is possible to conclude that there are sales of very high value and growth, but as demonstrated the business model presents several risks and can and should be evolved. In this sense, it is recommended to all stakeholders in the staffing business to analyse the model resulting from this research and adapt, discuss or evolve it. It is also worthwhile to deepen in a future empirical investigation the existence of compatibility of aggregation of the two business models, that is, to evaluate whether the best scenario will be the transition of the business model in its entirety or to aggregate both models in a single model taking advantage of existing synergies.

6.1 Impacting findings

Over the course of the investigation, some of the preliminary results were shared with participants from the investigation, along with executives who have more than ten years' experience in the management and evolution of staffing business models. Without wishing to devalue the results discovered, and the contributions to this investigation, their impact are not the same for all researchers and managers. There are findings that stimulate more curiosity and interest than others that "only" confirm that which many managers already know. With this in mind, the impact findings are listed here, in no particular order:

– The profit per employee is on **average 87%** higher when compared with a staffing employee. This figure is interesting given that employees from management consulting companies earn, on average, a higher salary (the average cost of employee is 56% higher compared with the staffing business model) and are usually increased every year;

– In the management consulting business model, the credit period days is **around 46%** higher in relation to the staffing business model. It is worth noting that this point did not come up in any of the consulting interviews, but was mentioned several times in the staffing interviews;

– Investment in R&D declared by staffing companies, which can be seen in the financial database, **is 0%,** yet in the interviews only Staff.C7 company state that they were investing in innovation;

– The lack of definition and inadequate use of the term outsourcing in Portugal; **36%** state that either the scientific area and literature need to evolve, or there is a higher than average illiteracy surrounding this concept, which is not beneficial for service companies, employees and clients;

– The threat "staff agency resources integration in client company (backsourcing)" was stated **by 83%** of those interviewed, which makes it the main threat identified in the staffing business model;

– The activity "encouraging the sale of encapsulated consultancy service in a staffing contract" **mitigates 25%** of the threats identified in the business of staffing. It might not be possible to change the business model completely, but there are opportunities to improve and mitigate threats that can, and should be taken advantage of;

– The activity "ensure the attraction and hiring of trainees and resources with above-average problem-solving skills, continuous training and certification, development and a career engendering feelings of security, ambition and belonging" was **defined for 24%** of the total of threats identified in the staffing business model;

– **More than 60%** of interviewees belonging to staffing companies revealed that the company is changing, or planning to change the business model to one of consulting, product, and/or outsourcing;

– **More than 10%** of interviewees belonging to management consulting companies revealed that the company, whenever necessary make use of staffing services. This shows how management consulting companies are a step ahead of staffing companies in the value chain;

– **More than 40%** of interviewees belonging to management consulting companies revealed that the partners are the first to help staff find the right place, and they assist them with the transition;

– **More than 80%** of interviewees belonging to management consulting companies revealed that the company invests a lot in relationships with alumni, given that they are, or could be, future clients. In the staffing business model, this subject was not referred to very much;

– **More than 40%** of interviewees belonging to management consulting companies revealed that the company is increasingly placing more importance on the work/life balance of the staff. This could be happening because they can control the time on projects, and who the team is.

6.2 Research contributions

This research makes several contributions at an academic and empirical level.

As theoretical contributions several points stand out:

a) This is the first study, or certainly one of the first, to depend on techniques of text mining analysis and topic modelling to objectively map the field of research in question. All literature review related to outsourcing, staffing and management consulting used these techniques. More than exploring the field in question, the procedures used should be analysed, replicated and discussed as it is a relevant and growing topic in research methods theory. Particularly in the field of qualitative analysis (Yu *et al.*, 2011);

b) As a second contribution, it was intended to enunciate possible gaps and conflicts between outsourcing and staffing concepts, after a detailed analysis of the literature, and to suggest future directions for the research. For this purpose, a conceptual map was prepared, see Figure 40, which should serve as a basis for future discussion and research. It was also analysed the meaning of the term outsourcing for 120 professionals in Portugal, demonstrating that in the light of recent literature, there is incoherence with the meaning and overlapping with the term staffing. Here is a window of investigation to know the "why" of this difference and that can serve as a starting point for discussion;

c) As a third contribution, the differences between staffing and management consulting business models were analysed in detail from the perspective of the service provider company, and there are few studies in this dimension of analysis. Were compared the various dimensions of the value chain, profitability results, as well as current and future strategies for service portfolio innovation, business development, attracting, evolving and retaining people and talent. There are few studies of the staffing business model, but there are also few comparative studies between business models, and the method is still highly heterogeneous. It is strongly suggested that research in this context continue and be replicated to other businesses discussing possible gaps and different points of view;

It was also intended to add value and thus contribute to the development of the technical and scientific process of analysis and transformation of business models. There are also empirical contributions to be highlighted and considered relevant to the applied business management (business world):

d) As a first empirical contribution, it is worth mentioning the fact that managers of service companies in general, but mainly managers of staffing companies can study, debate and adopt the Conceptual Business Model presented and translated into a BMC accompanied by a set of transformation activities. For companies that do not have the possibility of transition immediately, a set of mitigation activities is also contributed to the threats gathered in the field by professionals in area;

e) Finally, this work is undoubtedly useful not only for academia but also for companies and society, as it deals with an issue involving working conditions and economic formats and transactions through non-standard forms of employment. From another point of view, the transformation of the business model may lead to improvements in conditions and satisfaction of contingent employees, and this is a subject that may be discussed with this study as one of the starting points.

6.3 Limitations of the study

Through the elaboration of this research, some limitations and gaps are visible. As a first limitation, it is essential to highlight that after extracting and analysing the articles from the databases, it was possible to verify that the number of articles related to outsourcing themes was higher than those related to staffing. The LDA algorithm assumes that all documents in Corpus use the Dirichlet distribution, that is, they share the same distribution by topic-by-document ratio regardless of whether the documents are more directed to one theme than another. Given this scenario, by investigating LDA outputs between the two subjects, using regression analysis, we may obtain somewhat biased results. Text mining analysis may also imply some limitations; for example, several iterations have been made to improve the text, including all words with less than three characters being removed by adding some exceptions such as "IT", "HR", among other similar expressions.

It is not guaranteed that all relevant exceptions have been registered despite thorough analysis and following several recommendations in the literature. Still, according to the good practices of text mining, given the results obtained with too many reductions and hiding essential words, it was decided not to use the stemming technique to clean the text. It was assumed that the articles extracted from the databases represent a significant sample of the research theme. However, given the inconsistency of several terms, it may be useful in future studies to use more extensively institutional support websites such as outsourcing and staffing associations.

It is essential to discuss in this research some apprehensions about the use of the Amadeus database. After qualitatively examining the Amadeus database, it was concluded that this database could have data that was erroneously introduced, for example, companies with sector or industry with poorly assigned classification. Although data on employees was analysed, it was not possible to identify the total number of employees and how many employees, regardless of contract, work full time or not. This may have an impact on the financial results presented per employee.

There are two limitations to the interviews. Firstly, everything that was reported by the interviewees was considered to be true without any request for confirmation through facts or evidence. For example, almost all staffing companies indicated that they are very much committed to the training and satisfaction of their employees, something that would be interesting to validate, for example, in future studies. The second limitation is related to the transcription of the interviews, all the interviews were recorded and transcribed on the

computer, however, they may have missed some words or prepositions that may have conditioned the analysis of text mining.

Another limitation was that there was no interpretive approach to the various actors and how and why they arrived at these functions, i.e., an epistemology that defends the need to understand the differences between human beings in our role as social actors. For example, a transformation plan of the business model is suggested, but for this to happen in practice it will also be necessary to analyse other variables such as the predisposition to change, intelligence, the capacity of the managers responsible for such a change as well as the environment.

The evaluation of the professionals of the companies was of particular importance, however, the perspectives of customers and employees were not interviewed and known, something that could be an added value to study in the future.

Regarding the questionnaire, it was strategic to formulate the questions in a pre-determined way, making the comparison more straightforward and allowing the respondents to answer more quickly and without the need to write. However, these answers could not be easily interpreted, and there were limitations of statistical analysis. For the sample, there is also a limitation, the confidence interval of 8.53% for a confidence level of 95% it is not perfect.

Finally, the longitudinal study is also noted, which did not happen. Being this an academic project and conditioned by time was it not objective to look for and combine variables that varied in time, for example, is the profitability of staffing companies better now or five years ago? This limitation opens another door of thought and gives rise to a suggestion for future research.

6.4 Future research

Future research ideas have been addressed in the discussion and conclusion in the literature review chapters and will not be repeated here. Although this research contributes to the development of the technical and scientific process of analysis and transformation of business models from the perspective of staffing and management consulting service providers, the subject can be further investigated and discussed in the future. In this sense, some research topics that have emerged as needs or as activities to continue this work are suggested.

The perception, definition and normalisation of the concepts of staffing and outsourcing were undoubtedly one of the challenges of this research. As mentioned, the concepts overlap when the perspectives of several researchers are analysed, however, several variables remained to be analysed and correlated through empirical studies. For example, type and duration of the contract, specialisation of the work, the relationship of the employees with the client's organisation and the degree of connection of both types of business model with the IT area.

As also mentioned in the discussion chapter, the comparative analysis of financial indicators between staffing and management consulting companies was not conclusive. Only with the data obtained from the databases and the lack of specific support literature for the analysis of intellectual capital applied to the staffing and management consulting business, it is possible to conclude little; on the contrary, even more, doubts arise. It is strongly suggested that the subject be further investigated, namely with the following questions:

- Is it possible to capture the value of intellectual capital in projects and consulting history in accounting?
- Could it be that when a staffing resource leaves the Staff Agency the company loses all its assets, even maintaining the client?
- Is it possible to measure the knowledge differential through financial data?

It is also suggested, and as mentioned by some interviewees of the staffing business, to investigate transformation models, similar or not to this work, for the transition from the business model of staffing companies to outsourcing, recruitment or other business models. Note that there are already companies that do this and that they may serve as a model.

Already mentioned in the conclusion, it is also suggested to deepen in a future empirical investigation the existence of compatibility of aggregation of the two business models, i.e., to assess whether the best scenario will be the transformation of the business model in its entirety or to aggregate both types of business model into a single model taking advantage of existing

synergies. This detail was not addressed in the research and could be an added value complementary to the results and guidelines mentioned here.

As the last recommendation, the theoretical and empirical analysis of this model on the perspective of contingent worker conditions is strongly encouraged. As analysed in the literature review, when the economy suffers from problems, contingent workers receive a minimum or below average hourly wage by discounting any waiting time between jobs, which means unemployment within a full-time job and subsequent part-time employment that promotes meagre satisfaction rates (Arsdale, 2013; Inanc, 2018; Kim *et al.*, 2017). Does the question remain if working on projects, training employees continuously and selling "value" instead of selling "hours" will not make employees better off?

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APPENDICES

Appendix A – Management consulting interview guide

1. Context

1.1 How many collaborators does the company have in Portugal?

1.2 In how many countries is the company present?

1.3 In which area of service are you currently working?

1.4 How do you define the structure of the company regarding the relevance of its industries and services provided?

2. Company

2.1 Nowadays, the production of research papers and the so called "insights" represents an asset for the consulting companies. In that sense, how does the company guarantee a constant production of research and papers?

2.2 Still in the innovation topic, but now relating it to the services provided: what makes the company being constantly innovating their portfolio of services?

2.3 In your opinion, what is the top3 KPIs with which the company is concerned about?

2.4 Business development is a crucial piece in the consulting companies' activity. Given that, what is the structure in which the business development of the company lies or, in other words, what is the secret to sell?

3. Clients

3.1 The portfolio of clients is one of the most important asset of consulting companies, conferring them notoriety and reputation, allowing them to differentiate themselves in the market. In that sense, I would like to know what the origin of the new opportunities is.

3.2 Which are the successful practices or proposals you consider relevant to close opportunities, meaning to win the deal?

3.3 How is the clients' portfolio managed and how are those relationships feed through time?

4. Consultants

4.1 What are the characteristics searched in a candidate in the consultants' recruitment process?

4.2 Which is the model of evaluation/ bonus used with the consultants?

4.3 Which are the most successful practices in the company to retain talent?

4.4 How is the relationship with former consultants managed, considering the high rotation levels of the consulting companies and knowing that in the future most of them will occupy top positions in clients' companies?

5. Projects

5.1 What are the main concerns and key rules used when forming teams?

5.2 Within and across projects, how is knowledge transfer assured?

5.3 After terminated, how are projects evaluated?

6. Future

6.1 How do you see the Consulting industry in 5/10 years

Appendix B – Staffing interview guide

1. Context

1.1. How many collaborators does the company have in Portugal? / How many collaborators does the company have dedicated to Outsourcing (for those companies who have outsourcing and consulting services).

1.2. In which area are you currently working?

1.3. In how many countries is the company present? In your opinion is Outsourcing more successful here in Portugal or in foreign countries?

2. Company and Services

2.1. What kind of outsourcing services does the company provide? (IT; HR; BPO;…)

2.3. What are the main pains/troubles faced in Outsourcing?

2.3. How is the company constantly innovating its portfolio of services?

2.4. Do you think the revenue margin in Outsourcing projects is higher or lower when compared with consulting ones?

2.5. In your opinion, how does your company achieve competitive advantage through outsourcing? What differentiates its current business model from the ones carried out in other companies?

3. HR and talent

3.1. What are the main features searched in a candidate in the recruitment process? It depends on the market trends or it is based on the client's requirements?

3.2. Does the company invest in training for collaborators? How important is for the company the employees' evolution and how is it ensured?

3.3. Considering the high rotation levels in outsourcing companies, what kind of strategies does the company have to retain people?

4. Client Management

4.1. What is the strategy used to sell? In other words, which are the successful practices you consider relevant to close opportunities?

4.2. What is the strategy when client "stole"/internalise your resources? Is it an usual practice? What is the current trend?

4.3. How is characterised the relationship between the vendor and the buyer during the outsourcing service itself?

5. Future

5.1. How do you see the Outsourcing in 5/10 years? And the company itself?

Appendix C – Amadeus database: Key financials & employees

BvD Code	Key financials & employees	Definition
OPRE	Operating Revenue (Turnover)	Total operating revenues (Net sales + Other operating revenues+ Stock variations). The figures do not include VAT. Local differences may occur regarding excises taxes and similar obligatory payments for specific market of tobacco and alcoholic beverage industries.
PLBT	P/L before Tax	Operating profit + financial profit
PL	P/L for Period (Net Income)	Net income for the Year. Before deduction of Minority interests if any (Profit after taxation + Extraordinary and other profit).
CF	Cash Flow	Profit for period + Depreciation
TOAS	Total Assets	Total assets (Fixed assets + Current assets)
SHFD	Shareholders Funds	Total equity (Capital + Other shareholders funds)
CURR	Current Ratio (x)	Current assets/current liabilities
PRMA	Profit Margin (%)	(Profit before tax/operating revenue)*100
RSHF	ROE using P/L before tax (%)	(Profit before tax/Shareholders funds)*100
RCEM	ROCE using P/L before tax (%)	(Profit before tax + Interest paid)/(Shareholders funds + Non current liabilities)*100
SOLR	Solvency ratio (Asset based) (%)	(Shareholders funds/Total assets)*100
EMPL	Number of Employees	Total number of employees included in the Company's payroll

Appendix D – Amadeus database: Ratios

BvD Code	Ratios	Definition
	Profitability ratios	
RSHF	ROE using P/L before tax (%)	(Profit before tax / Shareholders funds) * 100
RCEM	ROCE using P/L before tax (%)	(Profit before tax + Interest paid) / (Shareholders funds + Non current liabilities) * 100
RTAS	ROA using P/L before tax (%)	(Profit before tax / Total assets) * 100
ROE	ROE using Net income (%)	(Net income / Shareholder funds) * 100
ROCE	ROCE using Net income (%)	(Net income + Interest paid) / (Shareholder funds + Non current liabilities) * 100
ROA	ROA using Net income (%)	(Net income / Total Assets) * 100
PRMA	Profit margin (%)	(Profit before tax / Operating revenue) * 100
GRMA	Gross margin (%)	(Gross profit / Operating revenue) * 100
ETMA	EBITDA margin (%)	(EBITDA / Operating revenue) * 100
EBMA	EBIT margin (%)	(EBIT / Operating revenue) * 100
CFOP	Cash flow / Operating revenue (%)	(Cash flow / Operating revenue) * 100
EVET	Enterprise value / EBITDA (x)	Enterprise value / (Operating profit (loss) + Depreciation)

BvD Code	Ratios	Definition
	Operational ratios	
NAT	Net assets turnover (x)	Operating revenue / (Shareholders funds + Non current liabilities)
IC	Interest cover (x)	Operating profit / Interest paid
STOT	Stock turnover (x)	Operating revenue / Stocks
COLL	Collection period (days)	(Debtors / Operating revenue) * 360
CRPE	Credit period (days)	(Creditors / Operating revenue) * 360
EXOP	Export revenue / Operating revenue (%)	(Exports / Operating revenue) * 100
RDOP	R&D expenses / Operating revenue (%)	(Research & development / Operating revenue) * 100

BvD Code	Ratios	Definition
	Structure ratios	
CURR	Current ratio (x)	Current assets / Current liabilities
LIQR	Liquidity ratio (x)	(Current assets - Stocks) / Current liabilities
SHLQ	Shareholders liquidity ratio (x)	Shareholders funds / Non current liabilities
SOLR	Solvency ratio (Asset based) (%)	(Shareholders funds / Total assets) * 100
SOLL	Solvency ratio (Liability based) (%)	(Shareholders funds / (Non current liabilities + Current liabilities)) * 100
GEAR	Gearing (%)	((Non current liabilities + Loans) / Shareholders funds) * 100

Per employee ratios		
PPE	Profit per employee (th)	Profit before tax / Employees
TPE	Operating revenue per Employee (th)	Operating revenue / Employees
SCT	Costs of employees / Operating revenue (%)	(Cost of employees / Operating revenue) * 100
ACE	Average cost of employee (th)	Cost of employees / Employees
SFPE	Shareholders funds per employee (th)	Shareholders funds / Employees
WCPE	Working capital per employee (th)	Working capital / Employees
TAPE	Total assets per employee (th)	Total assets / Employees

Appendix E – Threads analysis dictionary

Response Strategy	
Transformation	When the negative impact is shifted in a opportunity, such as transition plan in management consulting business model
Mitigation	when you proactively change the plan to minimise the impact or probability of the risk occurring. Risk mitigation does not eliminate the risk / cause and as such there will be some residual risk remaining.
Acceptance	Accept the risk

Impact	
VH	0,9
H	0,7
M	0,5
L	0,3
VL	0,1

Appendix F – Model validation questionnaire

The attached questionnaire can also be accessed via the link:

https://drive.google.com/open?id=1hQNHAeh53qncwK6wD8q2yINqyJ4Cxr9X

Questionário de Investigação

Esta investigação, a decorrer no ISCTE, tem como objetivo geral o estudo e conceção de uma possível evolução do modelo de negócio de Outsourcing (vertente de staffing, bodyshoping ou trading de recursos). Para o efeito foi estudado com profundidade o modelo de negócio nas várias dimensões assim como as ameaças principais.

Este questionário pretende validar elementos da literatura, assim como confirmar e priorizar as principais ações a tomar, motivo pela qual a sua experiência e ajuda são uma mais valia para a comunidade académica e empresarial.

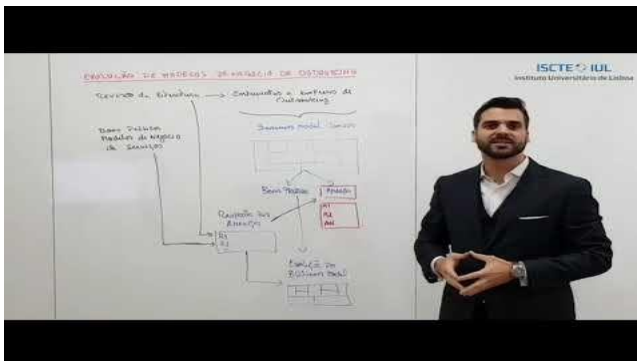Tempo necessário para o preenchimento: aproximadamente 15m.
Em caso de dúvidas ou dificuldade no preenchimento por favor contactar
Carlos.Miguel.Jeronimo@iscte-iul.pt

Muito Obrigado!

Carlos Hernandez Jerónimo

*Obrigatório

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"You can, you should, and if you are brave enough to start, you will."

Stephen King