



Management Consulting

VOLUME I

Edited by
Stephanos Avakian
and Timothy Clark

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Management Consulting Volume I



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Published by
Edward Elgar Publishing Limited
The Lypiatts
15 Lansdown Road
Cheltenham
Glos GL50 2JA
UK

Edward Elgar Publishing, Inc.
William Pratt House
9 Dewey Court
Northampton
Massachusetts 01060
USA

A catalogue record for this book is available from the British Library

Library of Congress Control Number: 2012935255



ISBN 978 1 84720 910 8 (2 volume set)

Printed and bound by MPG Books Group, UK

To my parents Daniel and Maria who accomplished great things in my life
and continue to do so

Stephanos Avakian

In memory of John Holman (1938–2011), an inspirational leader

Timothy Clark

Acknowledgements

The editors and publishers wish to thank the authors and the following publishers who have kindly given permission for the use of copyright material.

Administrative Science Quarterly for article: Morten T. Hansen and Martine R. Haas (2001), 'Competing for Attention in Knowledge Markets: Electronic Document Dissemination in a Management Consulting Company', *Administrative Science Quarterly*, **46** (1), March, 1–28.

Blackwell Publishing Ltd for excerpts and articles: Timothy Clark (1993), 'The Market Provision of Management Services, Information Asymmetries and Service Quality – Some Market Solutions: An Empirical Example', *British Journal of Management*, **4** (4), 235–51; Mats Alvesson (1993), 'Organizations as Rhetoric: Knowledge-Intensive Firms and the Struggle with Ambiguity', *Journal of Management Studies*, **30** (6), November, 997–1015; Brian P. Bloomfield and Ardha Danieli (1995), 'The Role of Management Consultants in the Development of Information Technology: The Indissoluble Nature of Socio-Political and Technical Skills', *Journal of Management Studies*, **32** (1), January, 23–46; Timothy Clark and Graeme Salaman (1998), 'Telling Tales: Management Gurus' Narratives and the Construction of Managerial Identity', *Journal of Management Studies*, **35** (2), March, 137–61; Keith Grint and Peter Case (1998), 'The Violent Rhetoric of Re-Engineering: Management Consultancy on the Offensive', *Journal of Management Studies*, **35** (5), September, 557–77; Matthias Kipping (2002), 'Trapped in Their Wave: The Evolution of Management Consultancies', in Timothy Clark and Robin Fincham (eds), *Critical Consulting: New Perspectives on the Management Advice Industry*, Chapter 3, 28–49; Alfred Kieser (2002), 'On Communication Barriers Between Management Science, Consultancies and Business Organizations', in Timothy Clark and Robin Fincham (eds), *Critical Consulting: New Perspectives on the Management Advice Industry*, Chapter 12, 206–27.

Business History Conference for article: Christopher D. McKenna (1995), 'The Origins of Modern Management Consulting', *Business and Economic History*, **24** (1), Fall, 51–8.

Business History Review for article: Matthias Kipping (1999), 'American Management Consulting Companies in Western Europe, 1920 to 1990: Products, Reputation, and Relationships', *Business History Review*, **73** (2), Summer, 190–220.

Elsevier for articles: Warner Woodworth and Reed Nelson (1979), 'Witch Doctors, Messianics, Sorcerers, and OD Consultants: Parallels and Paradigms', *Organizational Dynamics*, **8** (2), Autumn, 17–33; Danielle B. Nees and Larry E. Greiner (1985), 'Seeing Behind the Look-Alike Management Consultants', *Organizational Dynamics*, **13** (3), Winter, 68–79; John Bessant and Howard Rush (1995), 'Building Bridges for Innovation: The Role of Consultants in Technology Transfer', *Research Policy*, **24**, 97–114.

Harvard Business Publishing for articles: Seymour Tilles (1961), 'Understanding the Consultant's Role', *Harvard Business Review*, **39**, November–December, 87–99; Morten T. Hansen, Nitin Nohria and Thomas Tierney (1999), 'What's Your Strategy for Managing Knowledge?', *Harvard Business Review*, **77** (2), March–April, 106–16.

Institute for Operations Research and the Management Sciences (INFORMS) for article: Royston Greenwood, Stan X. Li, Rajshree Prakash and David L. Deephouse (2005), 'Reputation, Diversification, and Organizational Explanations of Performance in Professional Service Firms', *Organization Science*, **16** (6), November–December, 661–73.

Oxford University Press for excerpt: Denis Saint-Martin (2000), 'The Management Consulting Industry: History and Structure', in *Building the New Managerial State: Consultants and the Politics of Public Sector Reform in Comparative Perspective*, Chapter 2, 36–71.

Pearson Education, Inc. for excerpt: Edgar H. Schein (1988), 'Introduction', in *Process Consultation, Volume I: Its Role in Organization Development*, 2nd edition, Chapter 1, 3–9, references.

SAGE Publications via Copyright Clearance Center's Rightslink Service for articles: Johan Berglund and Andreas Werr (2000), 'The Invincible Character of Management Consulting Rhetoric: How One Blends Incommensurates while Keeping them Apart', *Organization*, **7** (4), 633–55; Timothy Morris (2001), 'Asserting Property Rights: Knowledge Codification in the Professional Service Firm', *Human Relations*, **54** (7), 819–38; Laura Empson (2001), 'Fear of Exploitation and Fear of Contamination: Impediments to Knowledge Transfer in Mergers Between Professional Service Firms', *Human Relations*, **54** (7), 839–62; Roy Suddaby and Royston Greenwood (2001), 'Colonizing Knowledge: Commodification as a Dynamic of Jurisdictional Expansion in Professional Service Firms', *Human Relations*, **54** (7), 933–53; Johannes Glückler and Thomas Armbrüster (2003), 'Bridging Uncertainty in Management Consulting: The Mechanisms of Trust and Networked Reputation', *Organization Studies*, **24** (2), 269–97.

Stanford University Press for excerpt: Berit Ernst and Alfred Kieser (2002), 'In Search of Explanations for the Consulting Explosion', in Kerstin Sahlin-Andersson and Lars Engwall (eds), *The Expansion of Management Knowledge: Carriers, Flows, and Sources*, Chapter 3, 47–73, notes, references.

Taylor and Francis Ltd (<http://www.informaworld.com>) for article: Christopher Wright (2000), 'From Shop Floor to Boardroom: The Historical Evolution of Australian Management Consulting, 1940s to 1980s', *Business History*, **42** (1), January, 85–106.

Tribune Media Services for articles: David A. Kolb and Alan L. Frohman (1970), 'An Organization Development Approach to Consulting', *Sloan Management Review*, **12** (1), Fall, 51–65; Edgar H. Schein (1990), 'A General Philosophy of Helping: Process Consultation', *Sloan Management Review*, **31** (3), Spring, 57–64.

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In addition the publishers wish to thank the Library of Indiana University at Bloomington, USA and the Library at Warwick University, UK, for their assistance in obtaining these articles.

Introduction

Stephanos Avakian and Timothy Clark

In these two volumes we bring together many of the seminal works from leading researchers that have influenced thinking and research in relation to the activities of management consultants. We adopted a two-pronged approach to identify the contributions to be included. Firstly, we contacted leading researchers in the field and asked them to identify those publications they regarded as 'essential reading' both in terms of influence and as exemplars of a particular theme. Secondly, we conducted an extensive search using a number of electronic journal databases to identify the degree of influence of publications in terms of their citation counts. We reduced this long list to a shorter one by selecting publications that these two processes identified as having had a major influence on thinking about management consulting and also as representing a particular area of work.¹ In this way we have sought to provide an authoritative and broad-based reference resource that organizes the burgeoning literature on the topic into discrete sections. This presentation of the literature allows the capture of the main themes that have provided a focus for scholarly activity over the past fifty years. The contributions cover the growth and emergence of the management consulting industry, the different disciplinary and theoretical perspectives on consulting practice and the nature of consulting, as a service and as a knowledge-based industry. Moreover, they also illustrate the nature of organizational learning, the management and supply of knowledge, and the dynamics of the client–consultant relationship.

The array of themes and diversity of approaches covered by these publications is testament to the interdisciplinarity, vitality and richness of debates in the area. The contributions show that consulting is an activity that has come to represent a critical meeting point for a wide range of theoretical and empirical approaches, debates and disciplines. Therefore, the study of consulting is an ideal subject through which to learn about the contemporary applications of a number of major themes that infused management and organization studies during the twentieth century. These include the emergence of management as an occupation, the changing character of work, changing approaches to the management and organization of firms, the professionalization of management, the rise of knowledge-intensive activities, the development of a service economy, knowledge management, the internationalization of the firm, and so forth. In gaining a deeper understanding of consulting readers will become more knowledgeable about the evolutionary changes to management but also the discourses that have shaped its institutional development over time.

Although management consulting emerged in the early part of the twentieth century, it remained a relatively small and marginal activity with little visibility for many years (Kipping and Engwall 2002; Sahlin-Anderson and Engwall 2002). Early founders of management consulting firms received attention in the business press. This was mainly in the form of newspaper and magazine articles relating to the personal activities of well-known advocates of scientific management such as Frederick Taylor, Harrington Emerson and the Gilbreths.

Attention was paid to the specific individuals championing innovative practices rather than to the nature and operation of the industry (Kipping and Clark 2012). Even in those cases where a firm was established and grew to become relatively large, such as the Bedaux Company (Kreis 1990), the business press was more interested in Bedaux's personal activities and his connection with the former King Edward VIII. These individuals were of interest to the press as celebrities rather than for the consulting activities with which they were involved (Kipping and Clark 2012). Attention to their public profile was driven by their personality and personal activities rather than their role as knowledge entrepreneurs. It was not until the 1960s that journalists and academic-practitioners associated mainly with Organizational Development (OD) began to write about the industry and the nature of the consulting process itself (see Tilles 1961, Chapter 11, Volume I; Higdon 1969; Schein 1969). This lack of public awareness about management consulting is identified by Higdon (1969: 4) in perhaps the first detailed overview of the industry. He writes that management consultants, 'shroud their work under a cloak of mystery – as though they were soothsayers, or practitioners of some sort of black art ... Thus almost a conspiracy of silence pervades the management consulting profession ... They want publicity but on their own terms'. Higdon (1969) shows that broad awareness of consulting was limited and the consulting industry was happy to remain out of the glare of publicity. He portrays an industry concerned with wanting to have control over its image and wanting to ensure that the work it undertook for clients remained confidential and therefore largely unreported.

In subsequent years both journalistic and academic interest in the industry grew rapidly. The presence of the industry is no longer the background it once was but has been pulled into the spotlight by sustained public scrutiny (National Audit Office 2006). This deeper exploration of the nature of consulting has paralleled the industry's explosive growth over the last forty years. Management consulting has been transformed from a peripheral occupation to one that is a popular career choice with university graduates, becoming recognized as emblematic of the new breed of high-prestige knowledge-based occupations considered central to the emergence of a post-industrial or information economy (Bell 1973; Stehr 1994; Kumar 1995). In a relatively short period of time, management consultants have come to occupy a key role in modern organizations and social systems as agents of change (Clark and Fincham 2002; Kipping and Engwall 2002). They have woven themselves into the changing fabric of organizations and thus become an almost indispensable aid to management. Management consultants are deeply involved in a wide spectrum of decisions that clients make. Such decisions can involve specialist expertise, new knowledge or the need for external legitimation. The implications of such decisions can influence the client's corporate size, shape, strategic positioning and implementation of information technology (IT).

Management consultants are portrayed as wielding considerable influence over managerial thinking and action. This is because they are agents and disseminators of key ideas and techniques that have a significant impact on the organizations that employ them and the working lives of the people who work in them (Kipping and Engwall 2002; Sahlin-Andersson and Engwall 2002). However, their influence is perhaps far more general since the consequences of their ideas and recommendations spill over into many aspects of our lives. Management consultants work for governments, and their work can have impacts on policy outcomes, which can in turn influence the delivery of critical services such as education, health care and welfare support (Saint-Martin 2000; Czerniawska and May 2004). Although

some people may not directly experience the work of consultants, the indirect impact of their advice on citizens or employees is hard to avoid. Indeed, the indirect aspects of consultancy work may be greater than its direct consequences (Sturdy 2011). The view of consultants as a shadowy force exercising an insidious influence and power over the nature and destiny of modern organizations and society has heightened their media profile and the level of research interest in the academic literature. Indeed, the use of the title *Masters of the Universe* in a television programme devoted to understanding the emergence and activities of management consultants captures this sense of unbridled power (Films of Record 1999).

Why Study Management Consulting?

In this section we identify the main reasons for why academics have studied consulting, and then provide a brief overview of the content and structure of the two volumes. The intention is to give readers a sense of the history of the emergence of research on consulting before outlining the themes that structure the content of each volume. Reading the next three sections in conjunction with the summaries of the contributions in the fourth section will help readers to navigate their way through the academic landscape by having a better sense of the context and connections between the publications included.

Emergence and Growth of the Industry

One of the most frequently cited factors for studying management consulting is that the industry has been one of the more dynamic and fast-growing sectors of the service economy in many Western advanced economies (Clark 1995; Keeble and Schwalbach 1995; Armbrüster 2006). At a general level, and since the 1960s, the balance of advanced Western economies has tilted heavily from manufacturing to services. Service industries have grown in response to an increasing demand for advice-based services (Kubr 2002/1976). Moreover, manufacturing firms 'have focussed on their core activities and externalized the production of peripheral activities including a range of business services' (Roberts 2003: 130). Those economies that sought to develop knowledge specialization have been variously described as post-industrial, information societies and knowledge economies (Kumar 1995). Critical to each is the emergence of the centrality of knowledge and the proliferation of advice-based industries for making critical interventions to performance and productivity (Stehr 1994). Although not all sectors of the service economy have grown at a similar pace, business services and consulting services expanded particularly rapidly, with the ratio of consultants to managers growing from one to a hundred in 1965, to one to thirteen in 1995 (McKenna 2006: 8). During this period management consulting experienced an almost uninterrupted period of positive annual growth with many years in double digits and a small number of firms reaching over 20 per cent growth. Growth occasionally slowed but very rarely fell (Niewiem and Richter 2004). Much of this growth occurred in the 1980s, with a number of business services – management consultancies, employment agencies and IT services – expanding very quickly. In the UK Keeble and Schwalbach (1995: 22) reported that 'the number of UK management consultancy companies registered for VAT more than doubled (+118%) in the seven years 1985–1992'. In Europe they found that a third of the members of the European Federation of Management

Consultancies Associations (FEACO) were under fifteen years old and a little over 68 per cent were under twenty years old (Keeble and Schwalbach 1995: 12–13). Overall, Ernst and Kieser (2002, Chapter 13, Volume I) estimate that in the region of 80 per cent of consultancies were established between 1980 and 1997 (see also Micklethwait and Wooldridge 1996: 51).

Calculations of the size of the market are problematic given the indeterminacy of the industry's boundaries. There is lack of specificity over the nature of consulting as an activity, with the consequence that determining where consulting starts and ends is highly problematic. Definitions vary in the literature as to what management consulting is and what are the attributes and activities consultants embody. According to *The Oxford Compact Dictionary* the origin of the word 'consulting' comes from the Latin *consultare*, from *consulere* which means to 'take counsel' (Oxford University Press 1996: 210). To consult can variably mean: '1. seek information or advice from. 2. Refer to a person for advice 3. Seek permission or approval from (a person) for a proposed action. 4. Take into account (feelings, interests, etc)' (1996: 210). The dictionary also defines the term consulting as: 'giving professional advice to others working in the *same* field or subject' (1996: 210; italics added). Barcus and Wilkinson define consulting as:

an independent and objective advisory service provided by qualified persons to clients in order to help them identify and analyse management problems or opportunities. Management consultants also recommend solutions or suggested actions with respect to these issues and help when requested, in the implementation. In essence, management consultants help to effect constructive change in private or public sector organisations through the sound application of substantive and process skills. (1986: 7)

Similarly, Greiner and Metzger (1983: 7) define consulting as: 'an advisory service contracted for and provided to organizations by specially trained and qualified persons who assist, in an objective and independent manner, the client organization to identify management problems, analyze such problems, recommend solutions to these problems, and help, when requested, in the implementation of solutions'. This description is echoed in the definition used by the UK's Management Consultancies Association (MCA), which defines consultancy as: 'the creation of value for organisations, through the application of knowledge, techniques and assets, to improve performance. This is achieved through the rendering of objective advice and/or the implementation of business solutions' (www.mca.org.co.uk).

There are at least three key issues captured by the above definitions. The first positive attribute attached to consulting is the spatial proximity between consultants and clients. The consultants are separate or external to the client organization and hence are assumed to adopt an independent or objective stand towards the client's situation. This dialectic discourse between those who are 'inside' and those who are 'outside' the situated managerial problem becomes the first basis of differentiation which frames the consulting activity.² The second is the assumption that consultants are able to detect or analyse management problems of importance for the client. The conceptual correlation made between those who are inside a managerial problem with those outside, and who are able to detect deficiencies assumes not only a spatial proximity but also a qualitative one. Consultants are in a privileged position to help and detect existing or emerging managerial issues for the client and provide a complementary course of action. Third, and related to this, consultants are viewed as professionals in that they have access to a knowledgebase that might be unavailable to clients

or difficult for them to access. Hence, the consultants' advice and value is partly based on clients seeking their help to address their own knowledge deficiencies and/or diffuse this knowledge into the organization. It needs to be noted that this view of management consultants is not uncontested. We present alternative conceptions of consulting later in the chapter.

Even though the focus on any consulting definition is on the 'advice' and 'helping' process, the actualization of advice seems to be a result of the type of organizational problem experienced by the client. The consultants' involvement in suggesting a course of action that can be successfully implemented has become subject to much debate, particularly in relation to detecting the value of consulting (Gable 1996, Chapter 22, Volume II).

The lack of consensus in defining consulting is further complicated by the emergence of large multi-service professional service firms (PSFs). These were originally based on the Big Eight, then the Big Five global accountancy firms, but more recently on large IT consulting and outsourcing firms (Galal, Richter and Wendlandt 2012). In 1992 just over 23 per cent of the revenues of the top ten US accounting firms were accounted for by management advisory services (McDougald and Greenwood 2012). *Accounting Today* (2010) reported that this figure had since declined slightly to 22.5 per cent. Given the range of services offered in multi-service firms it is difficult to disentangle consulting from other advisory services offered by these firms. With this caveat in mind, between 1980 and 1999 the worldwide revenues of the industry were estimated to have grown from \$3 billion to \$60 billion (Fincham and Clark 2002). More recently, *Datamonitor* reported that in 2009 the global management and marketing consultancy market was worth \$272.3 billion and was predicted to have a compound annual growth rate of '7.1% for the five-year period 2009–2014, which is expected to drive the market to a value of \$383.1 billion by the end of 2014' (2010: 8; 32). This report shows that North America remains the largest market, accounting for 50 per cent of worldwide revenues, followed by Europe (40 per cent), Asia, the Middle East and Africa. Despite revenues in these last three markets being predicted to increase slightly (2.6 per cent), the report demonstrates that consulting is still very rooted in the markets in which it originated in the twentieth century (for historical data see Higdon 1969).

In summary, business services have grown considerably in the latter part of the twentieth century, and management consulting has been one of the fastest growing occupations within this broad sector. Thus, part of the increasing curiosity about management consulting work is related to its increased economic significance and a desire to understand the broader economic shifts of which it is a part.

Journalistic and Freelance Authors' Accounts

Recent public and academic awareness of consulting has also been propelled by the writings of journalists and freelance authors (e.g. Ashford 1998; Micklethwait and Wooldridge 1996; O'Shea and Madigan 1997; Wooldridge 1997; Pinault 2001; Craig 2005). Such accounts have raised the industry's visibility to a level where it has on occasion been placed at the focus of media attention. A search on the Gale database³ between 1985 and 2011 generated a list of 5863 articles on consultants. This indicates the level of attention that journalists have shown to consultants in the last 25 years. The degree of interest has been fostered by the short time that elapses before publication, in which stories about consultants and clients are publicized through the popular media and the press, thus reaching a large audience. These accounts have

been particularly influential in shaping the broader public's view of consultants' work and it could be argued that they carry a greater impact than academic-related publications.

In surveying these articles it is possible to identify a number of recurring themes, such as the high cost of consulting projects, the failure to control budgets and the lack of client control. Other themes are the consultants' power to introduce radical changes in a client organization, the attractiveness of consulting as a career destination and the clients' difficulty in evaluating project results. Given that many of these accounts are founded on the experience of former consultants or journalistic investigations, they are engaging but also critical and cynical of the activities and impact of the consulting industry (Byrne 2002). Some authors focus on critical projects and the use of consulting in the public sector. For example, O'Harrow (2007) reports on a large consulting project involving the US Department of Homeland Security in which Booz Allen was contracted to assist with the setting up of an 'intelligence operation' programme. The article suggests that an over-reliance on consultants, combined with a 'no-bid' contract, led to the project costing fifteen times its initial value of \$2 million. What this article emphasizes, as do many others, is the appeal of the public sector as a client sector to the global consulting and IT firms. This attractiveness is fuelled by the need to deploy large-scale projects and the public sector's continuing failure to manage consultants in large-scale complex projects. The narrative developed in journalistic accounts is that the lack of self-reflection by the public sector, in terms of how and why consultants are used, is supporting an uncritical and continuing use of consultants. This theme is evident in auditing reports on the use of consultants by the UK's central government and National Health Service (National Audit Office 2006, 2010; House of Commons Committee of Public Accounts 2007) which are frequently used by journalists to criticize consultants. For example, in its most recent report, the National Audit Office concluded:

Our work demonstrates that although total spending on consultants has fallen slightly since 2006–07, there has been inconsistent progress made by departments and the reduction has not occurred within an effective control environment. We conclude that government is not achieving value for money from its use of consultants and interims, because it frequently lacks the information, skills and strategies to manage them effectively and therefore cannot drive delivery. (2010: 5)

Criticism of consultants is not limited to their activities in the public sector. For example, in relation to the private sector in *Dangerous Company: The Consulting Powerhouses and the Companies they Save And Ruin*, James O'Shea and Charles Madigan (1997) report a series of consulting assignments that have gone so egregiously wrong that they reached the courts. There is the case of Figgie International, a Fortune 500 company, which paid consultants more than \$50 million to help make it a 'world-class manufacturer'. They argue that despite the expertise of some of the most highly regarded consultancy firms in the world, the company narrowly escaped bankruptcy as sales fell from \$1.3 billion to \$319 million between 1989 and 1994. Over the same period profits declined from \$63 million to losses of \$166 million and the number of employees was reduced by 35 per cent. Figgie sued its two lead consultancy firms but neither admitted any fault and the lawsuits were settled out of court. In another case O'Shea and Madigan (1997) report that between 1989 and 1994 the American telecommunications company AT&T spent \$500 million on consultancy advice involving some of the leading firms in the industry. For example, Monitor received \$127 million, McKinsey received over \$96 million and Andersen Consulting billed AT&T for \$87 million.

O'Shea and Madigan (1997: 3–4) note, 'AT&T seems as confused today as it did when the period began'.

Similarly, in *Rip Off* (Craig 2005), written by an ex-management consultant, consultants are presented as extremely selfish, wholly driven by greed and vanity, and as having few moral scruples as they prioritize their own interests over those of their client firms. Consequently any value from a consulting assignment tends to accrue to the consultants in the form of fees. Indeed, a key theme running throughout the book is that consultants are more interested in obtaining an assignment and securing fees than in making a positive contribution to clients. Whole sections of the book are devoted to describing a range of techniques employed by consultants to convince clients of their value or turning existing projects into larger and more profitable ones.

This latter point is highlighted in an article published in *The Independent* (2009) titled 'Masters of Illusion'. In this article an ex-consultant recounts his personal experiences of working in the industry. A key motif in the article is the notion of 'whale-hunting – as we called the art of landing a big client' (2009: www.independent.co.uk). The analytical techniques the consultant employed resulted in a series of lines on charts that appeared to depict a big fish. They state:

I eventually came to understand that it is possible to construct a Whale chart for just about any business anywhere. It makes no difference whether the business is inherently good or bad, well-managed or in the hands of chimpanzees. It doesn't even have to be a business – it can be a football game or a population chart. In fact, you don't even have to do the analysis. You can save 80 per cent of the effort by just borrowing data from a previous analysis. There's always going to be a skew. It isn't science; it's a party trick. (2009: www.independent.co.uk)

This technique, alongside the way consultants dressed, where they ate and their self-confident manner, added 'several points to one's perceived expertise quotient' (2009: www.independent.co.uk). This article, like many others, emphasizes the shallowness of consulting knowledge and the importance of being seen to be knowledgeable when often consultants know less than their clients. What this implies is that consulting is about creating a sense of value in order to maintain strong relationships with clients. As we will show later, this theme has dominated parts of the academic literature.

The view of consultants acting in their own interests and at the expense of their clients pervades journalistic accounts of the industry. However, this view of consulting contrasts with the more functionalist accounts that characterized the organization development approach to consulting. Such accounts emphasized the positive effects of using consultants to introduce changes which can be necessary for an organization to incorporate in order to perform better (e.g. Beckhard 1969; Schein 1969; French and Bell 1995). Nevertheless, as the examples above demonstrate, the activities of consultants raise powerful negative comments and emotions. This strong and widely shared sense of suspicion of consultants is partly driven by their status as 'outsiders'. They seek to 'enter' clients in order to offer advice and assistance while having limited exposure to and responsibility for the potential outcomes. The consultants' efforts to persuade clients while avoiding the implementation or accountability for outcomes produced by their actions were the cornerstones to some humorous remarks and jokes. Like lawyers, consultants are portrayed negatively in many disparaging jokes. Sturdy, Clark, Fincham and Handley write:

One of the oldest jokes, that has been doing the rounds since the 1960s, is that: 'A management consultant is someone who will borrow your watch to tell you the time (when you didn't ask to know) and then sell it to someone else (who didn't know that they wanted to buy one)'. You probably have heard this before or, if not, then others like it. It seems that their services have become indispensable while we love to hate them at the same time. (2008: 134)

The levels of ambivalence and occasionally outright hostility directed at consultants are expressed in jokes because they capture the cynicism that is felt by clients. The negative portrayal of consulting stems from concerns about their lack of accountability and client control. Further points of contention are their lack of sensitivity to clients' interests, their tendency to impose their interests and understandings on a situation, and whether they actually provide services that generate value for clients.

At the heart of this literature is a paradox: if consultants are viewed as expensive and self-interested and the outcome of their work is unclear or fails, why is there an increasing number of organizations turning to them for assistance? As Fincham and Clark (2002: 8) point out, this question is particularly frequently asked in the journalistic literature, since 'consultancy is presented as a zero-sum game; if consultants are making money someone else must be losing it – inevitably clients'. From this critical perspective consultants do not add value to their clients. Indeed, they are the only party to benefit. The reason for their increased use is therefore their highly developed persuasive abilities in contrast to clients' passive naivety. Clients are viewed as endemically susceptible to the glib promises of consultants. While parts of the academic literature highlight the importance of the consultants' persuasive strategies, other sections stress the active and sometimes dominant role of clients. We discuss this theme in greater detail below, especially in relation to the role of clients in the production of consulting knowledge.

Consultants and the Creation and Dissemination of Management Knowledge

More recent research has been driven by the recognition that consultants are important conduits through which knowledge, from a variety of sources, is appropriated, commodified and sometimes transferred into, between and from client organizations, sectors and nations (Clark 1995; Clark and Fincham 2002; Kipping and Engwall 2002). There are different sources that contribute to the production and transfer of knowledge. These include: the consultants' experience from working with clients, the transfer of knowledge and practices from other firms, the application of models to generate new understandings and the implementation of methods and techniques to develop new ways of working. Ernst and Kieser (2002: 53, Chapter 13, Volume I) suggest that whatever the source, consultants 'do not transfer ordinary knowledge but they transfer knowledge of "best practices" ... from the "most successful companies", store it, and use it to solve their client's problems'. In this respect, consultants are critical carriers and diffusers of innovative/fashionable management knowledge and techniques, cascading knowledge between different client arenas. This is crystallized in Abrahamson's (1996, Chapter 8, Volume II) theory of management fashion. His key idea is that management fashions are 'the product of a management-fashion-setting *process* involving particular management fashion setters – organizations and individuals who dedicate themselves to producing and disseminating management knowledge' (1996: 256, Chapter 8, Volume II, emphasis in the original). For Abrahamson management consultants represent one group of

management knowledge disseminators. Others include management gurus, business schools and management academics and publishers (see also Suddaby and Greenwood 2001, Chapter 22, Volume I; Ernst and Kieser 2002, Chapter 13 Volume I; Clark, Bhatnagar and Greatbatch 2012; Jung and Kieser 2012). He argues that these different agents compete for the attention of the managerial audience, each trying to produce ideas that will be attractive to the intended audience. As the popularity of ideas and different agents waxes and wanes so does their attractiveness to managers. Thus being perceived as offering pioneering cutting-edge ideas is essential for consultants if they are to ensure their continued survival. Consultants cannot afford to be viewed as being out of step with prevailing managerial preferences. Having a sense of the zeitgeist is critical if consultancies are to remain pre-eminent.

Whilst Abrahamson's (1996, Chapter 8, Volume II) work on management fashion has spawned a plethora of studies examining the diffusion pattern of a range of fashionable discourses within the print media (e.g., Abrahamson and Fairchild 1999, Chapter 13, Volume II; Carson, Lanier, Carson and Guidry 2000, Chapter 12, Volume II; Benders and van Veen 2001, Chapter 15, Volume II; Gibson and Tesone 2001; Spell 2001, Chapter 11, Volume II), other works have examined the knowledge production and management processes within consultancies. At a macro level there are at least two contrasting approaches, which are referred to as the organizational development (OD) and critical approaches (Clark and Fincham 2002; Nikolova and Devinney 2012). OD was the prevalent approach until the mid-1980s. It was based on a view of organizations as systems that can be logically understood, reduced to their component parts and changed using insights and techniques from the behavioural sciences. Consultants were viewed as 'professional helpers remedying illness in client organizations' (Fincham and Clark 2002: 7). Like surgeons, they were depicted as drawing on a professional knowledgebase in order to take an organizational history, identify the symptoms of the presenting problem and recommend an appropriate cure. On the basis of a comprehensive review of this voluminous literature Clark and Salaman (1996) indicate that its main preoccupation was with identifying and examining those factors that were perceived as maximizing the consultants' effectiveness while conducting organizational interventions. In contrast, the critical approach focused on how consultants sustain their knowledge claims by creating impressions of value (Clark 1995; Clark and Fincham 2002; Starbuck 1992). Similar to the preoccupations of many journalists mentioned above, this perspective arises from the view that consultancy knowledge is ambiguous and contested (Alvesson 1993). There is no agreement on what and how knowledge may be appropriate for a particular client problem. Furthermore, the relationship between the application of consultants' knowledge and the outcomes of their work is unclear. For these reasons Alvesson (1993: 1011, Chapter 17, Volume I) argues that management consultancies are 'systems of persuasion' in that 'The ambiguities involved in work and results mean that internally as well as externally great efforts must be made in order to emphasize ... that experts should be relied upon'. In these circumstances representations and symbols of knowledge become critical. As Clark and Salaman (1998: 147, Chapter 18, Volume I) argue, consultants '*cannot* deploy a body of formal, authoritative theoretical professional knowledge'; rather, their 'authority vis-à-vis their clients – senior managers – depends on the impression of possessing authoritative knowledge'. Therefore the critical perspective focuses on the rhetorical and symbolic achievement of consulting.

At a more micro level there have been empirical studies examining the elements, systems, methods and processes underpinning knowledge creation and transfer between consultants (for example, Hansen, Nohria and Tierney 1999, Chapter 24, Volume I; Werr and Stjernberg 2003, Chapter 3, Volume II; Werr and Styhre 2003, Chapter 28, Volume II; Fosstenlökken, Løwendahl and Rewang 2003, Chapter 17, Volume II). These studies recognize that the most valuable asset in a consultancy is the knowledge embedded in employees. They highlight that knowledge generation and distribution occurs in the form of knowledge flows. Such flows take place from senior to junior consultants and from clients to consultants. Methods of communication and distribution include electronic databases, interaction, personal networks, mentoring, team work arrangements, methodologies, cases, experiences from working with clients and offering training. Hansen, Nohria and Tierney (1999, Chapter 24, Volume I) suggest that consultancies adopt either a codification (the development of ways to codify, store and reuse knowledge by using electronic documents) or personalization (knowledge is shared mainly through the result of social interaction between individuals) strategy for managing knowledge. Werr and Stjernberg (2003, Chapter 3, Volume II) highlight that methods, tools, cases and experiences present an important source of knowledge for consultants and contribute to their organizational competence. Fosstenlökken, Løwendahl and Revanget (2003, Chapter 17, Volume II) highlight the ways in which consultants generate knowledge by working with clients. In particular they propose that interacting with the 'right kind of clients', multi-disciplinary consultancy teams, intra-firm discussions, explicit investments in knowledge development (e.g. formal training programmes) and internal consultancy development projects, are important for a consultant's knowledge development processes. Work by Heusinkveld and Benders (2005) and Anand, Gardner and Morris (2007, Chapter 2, Volume II) identified the political and social processes within consulting firms that draw on these different knowledge sources to support the development of new products and services. Overall, this literature has emphasized the key role that consultants play in producing and disseminating management knowledge. As such, it has identified the type of knowledge available to consultancies and how they store and commodify it for commercial gain. In this respect, consultancies are seen as important firms that are at the centre of the knowledge/information economy. They are knowledge entrepreneurs par excellence.

The Themes in the Volumes: Volume I

We have organized the 58 contributions in these two volumes into five broad sections and eight subsections. In what follows we review the key themes in each of the five sections before providing more detailed summaries of the individual contributions.

Part I: The Historical Emergence of Management Consulting

Volume I opens with articles that explore the historical emergence of management consulting and underline key issues which run through subsequent sections of the collection. Although the precise origins of consulting are debated and its lineage is connected either to scientific management, cost accounting or industrial engineering, there is general agreement on two issues. First, management consulting grew out of a rising demand from organizations for