Failed Professionalization and Management Consultancy's Image Problem - a UK Perspective

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Abstract

This article reflects on the disproportionate academic and media attacks that management consultancy seems to attract and links this to the failure of developing strong professional institutions on the example of comparable professions such as law and accountancy. In particular, whilst a professional project was initially at play within this sector, it eventually lost support from key stakeholders, in particular the large firms who employed a majority of management consultants. As such professional associations in the management consultancy field engaged in a series of accommodation strategies to win back some corporate support. The result was a weaker form of corporate professionalism.

Management consultancy is one of the most successful occupations of our times (Mckenna, 2006). It has enjoyed sustained economic growth and now occupies a central position at the heart of the global economy. However, it has also been the object of repeated and sustained criticisms, by academics and journalists alike. Most recently Mazzucato and Collington (2023) dismiss the benefits of management consultants as over-exaggerated, whilst claiming that many of their services are actually damaging for businesses, government, and societies. Their book title, The Big Con condenses a long line of research which suggests how management consultants trick clients to pay for unnecessary, flawed and at times even damaging advice whilst also escaping any responsibility or liability for such advice. A similar line of criticism has been made by a growing body of academic and practitioner research (Craig, 2006; O'Mahoney and Markham, 2013; Kirkpatrick et al, 2023a; Fleming, 2023; Seabroke and Sending, 2022), as well as TV programmes such as the BBC Magic Consultants or Channel 4's Master of the Universe. But, perhaps the most stinging indictment of the industry is reflected in an old joke: Who is a management consultant? Someone who charges the client to borrow their watch and tell them what time it is (and then keeps the watch).

Of course, a lot of this criticism of management consultants might be unfair. It may unduly focus on a few high-profile scandals, whilst ignoring the majority of successful projects where consultants successfully deliver and add value for their clients. Nor should we forget that similar criticisms have been levelled against other, more established, professions such as accountants and lawyers (Muzio et al, 2016; Gabbioneta, et al, 2013; 2019). However what matters is that concerns about management consultancy have mounted in recent years and have captured the public imagination. Consultancy, it would seem, has an image problem.

Could it be that these doubts about management consultancy are connected to its failure to fully professionalize? Whilst consultancy firms have their own individual requirements and codes of practice, there are no mandatory industry wide regulations or minimum qualifications. Professional associations, such as the UK's Institute of Consulting (IC), have been formed, but membership is non mandatory and accordingly very sparse. Despite the IC gaining a Royal Charter in 2017, neither the title management consultant nor any of its activities are legally protected or restricted. Indeed, anyone can claim the title management consultant and practice as such.

In this context characterised by a lack of legitimacy, the question of why management consultancy did not professionalize becomes particularly relevant. Why has so little progress been made to regulate the supply side of management consultancy (Zaman et al., 2024)? In what follows we address this question of failed professionalism by providing an overview of a research project we recently published in the journal: Journal of Professions and Organisation (for the full study please refer to Kirkpatrick et al, 2023b; see also Collinson and Butler, 2020 for a related account). In this study, we conducted a historical case study of the professionalization of the UK management consulting field between 1956 to 2007, focusing on the shifting strategies of the UK professional associations: the Institute of Management Consultants (IMC), which was the forerunner to the Institute of Consulting, and the Management Consulting Association (MCA).

Our findings outline how over time in this sector there was a shift from an 'occupational' to a 'corporate' model of professionalism (please see table 1 for a

summary of these two models). Initially, both associations pursued an occupational model based on individual membership, closure, and third-party regulation, ideally by obtaining formal endorsement from the state in the form of a Royal Charter. In line with this, and following the example of established professions such as law and accountancy, from the 1960s, both associations had enforced strict entry criteria and ethical standards for consulting firms. The MCA, for instance, required member firms to be established in the UK for at least five years, with a specified percentage of professionally qualified staff, and adhering to a code of conduct that restricted certain business practices, including advertising.

Table 1: Occupational versus Corporate Professionalism		
	Occupational Professionalism	**Corporate Professionalism**
Approach to professionalization	Occupational closure around a formal body of knowledge and formal qualifications, ideally leading to restricted areas of practice and legally sanctioned monopolies.	Proactive engagement with corporate clients and employers. Focus on ability to add value to users
Sources of legitimacy	Ability to serve the public good	Commercial value added and technical expertise
Knowledge base	Abstract and formalized body of knowledge	Co -production of situated knowledge with industry. Focus on competences.
Entry routes	Formal examinations	Competence based qualifications
Model	Established professions like law	New forms of managerial specialisms and knowledge based occupations, such as the CIPD
Key constituents	The State	Large corporations (both as users and employers)
Endorsement	Royal Charter Legally sanctioned monopolies	Not licensed/regulated Support by large organizations Inclusion in procurement and recruitment policies of large organizations
Membership	Single Tier membership Individual membership	Multi -level membership structure Individual and organizational membership
Jurisdiction	National	International

Adapted from Hodgson et al 2015

However, while the management consultancy sector did at first embark on a traditional professionalization project, this project floundered over time. In particular, the IMC and MCA failed to attract the necessary levels of support from other key stakeholders such as government and the large, often multinational consultancy firms which dominated this field of practice. Large consulting firms, who had been initially supportive of professional associations to legitimize the consulting profession and uphold standards, gradually became indifferent to the goal of professionalization. These firms viewed occupation level regulations as unduly restrictive of their increasingly commercial practices and ever changing business models. Instead, firms focused on demonstrating professionalism through their own brand reputation, elite recruitment practices and client relationships. Government also lost interest as it embraced an increasingly neo-liberal and de-regulatory agenda, which focused on dismantling existing professional monopolies and restrictive arrangement rather than creating new ones (Hanlon, 1999; Muzio and Ackroyd, 2005).

In response to this changing landscape of diminishing interest from large employing organizations, both the MCA and IMC adopted a series of accommodation strategies. These strategies involved relaxing entry standards, revising ethical codes, and embracing a more inclusive approach to membership. The MCA, for example, broadened membership requirements, abandoned restrictions on advertising, and altered its ethical code to accommodate the evolving business models of IT and accounting firms. Similarly, the IMC, facing a decline in membership, undertook a "big mind-set change," rebranding itself to represent a wider range of stakeholders and introducing initiatives like the Certified Practice scheme, as a form of corporate membership. Table 2 provides an overview of these accommodation strategies over time.

Table 2: Professionalization project of UK management consulting: from an occupational to corporate model

Period	Key events professional associations	Key events consultancy firms	Features of Occupational Professionalism	Features of Corporate professionalism
1950s and before	British Institute of Management (BIM) establishes a Register of consultants			
	Foundation of the Management Consultancies Association (MCA)			
1960s	Foundation of the Institute of Management Consultants (IMC)	Accounting firms rejected by MCA, support the creation of the IMC	MCA code of practice restricting commercial behaviours	

		First wave of audit and accounting firms admitted to MCA	MCA introduces stringent individual qualification requirements	
		Arthur Anderson (initially) refused entry to the MCA		
1970s	MCA relaxes staff qualification rules to admit more accounting firms and some strategy firms (A.T Kearney)	Mckinsey refuses to engage with the Professional Associations, despite overtures form the MCA	IMC introduces ethical code and disciplinary procedures	
		UK's largest firm, PA, temporarily withdraws from MCA in dispute over restrictions on advertising	IMC develops standard body of knowledge and introduces mandatory qualifying examination	
1980s	MCA changes name from 'Management Consultants Association' to 'Management Consultancies Association'	Arthur Anderson initiates first advertising campaign; followed by other accounting firms		IMC scraps qualifying exam and begins to develop competence qualification scheme
				IMC creates Registered Practices scheme as a form of corporate membership
1990s		Privy council turns down IMC application for Royal Charter		MCA removes its advertising ban
		IBM joins MCA first (1997) and		IMC launches its flagship competency

		then the IMC (1999)		based qualification: the CMC award
				MCA changes ethical code from independent to objective advice
	IMC changes name from 'Institute of Management Consultants' to 'Institute of Management Consult*ancy*'			IMC creates Certified Practices Scheme as more developed corporate membership scheme, allowing members to award IMC qualifications
2000s	IMC merges with the Institute of Business Advisers to form the Institute of Business Consultants (IBC)			IMC allows corporations to bench mark their own competency frameworks to the Institutes and allowing them to award the CMC internally
	IMC becomes part of the Chartered Management Institute (CMI)			

Reproduced from Kirkpatrick et al (2023b)

Specifically, Table 2 shows how a traditional professional project stalled in the 1980s and eventually gave way to a corporate one (Muzio et al, 2011; Hodgson et al, 2015). As summarised in Table 1, the 'corporate' model was characterised by new traits such as organizational membership, competence-based qualifications (such as the CMC award - see Tibble 2004 for a full account of this), and acceptance of commercial practices. While the IMC (later IC) continued to seek formal endorsement from government (a Royal Charter was eventually granted in 2017), the main emphasis was on demonstrating the value of the profession to the large organizations which dominated this field both as users of management consultancy services and employers of management consultants. It was hoped that by demonstrating value, professional membership would, in time, become an essential or desirable criteria in corporate procurement and recruitment policies. As such, professional associations increasingly sought to align themselves with the perceived interests, practices and approaches of the large firms which dominated the sector. This goal was accelerated by a regulatory race of the bottom between the IMC and MCA, as both associations tried to keep up with each other in making further accommodations to perceived corporate interests.

This active accommodation to corporate concerns, may have in turn weakened the independence of professional associations and any presumption that they could act in a broader regulatory role. There are parallels here to what Leicht and Fennel (2001: 106) term "client capture," whereby "the consumers of professional work gain the ability to control the activities, timing, and costs of professional work." In our case, however, it is employing organizations that effectively capture professions, pushing them to adjust their objectives and practices.

We believe that the historical trend towards corporate professionalism has considerable bearing on why management consultancy has an image problem today. For instance, as professional associations try to accommodate large organisations in their field, they are less likely to be able to act as effective regulators and impose "non-negotiable, minimum standards" (Webber, 2002) on their members. Rather in this context, associations tend to delegate responsibility for professional standards to member firm, which are less likely to be credible or effective (O'Mahoney, 2011). The result is a fragmentation of standards and 'a slide to the lowest common denominator' (O'Mahoney et al., 2008: 37), as firms prioritize their commercial interests at the expense of robust ethical codes. For clients, this delegation implies greater risks associated with wrongdoing and incompetence, as organizational codes or individual membership of professions offer only a weak "institutional clue" for judging quality and professional integrity and for addressing misconduct (Glücker and Armbrüster, 2003).

As such, compared to established professions, management consultancy has a weaker (supply-side) regulatory framework that can help to prevent, police, and discipline unethical practices. Furthermore, in the absence of an established and powerful professional association, management consultancy does not have a strong, seemingly independent voice which can represent and speak up for the profession as a whole. Nor is there a credible way of responding to criticisms and addressing actual or perceived cases of misconduct.

Whilst these observations are necessarily tentative, our contention is that the failure of a traditional professionalization project in the management consultancy industry may have contributed to management consultancy's image problem. Accordingly, developing stronger professional institutions may be part of any solution.

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