
Thought Leadership and Reputation Building in Management Consulting

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The Problem and Opportunity

We have witnessed a proliferation of information online, including videos, podcasts, blogs and infographics. This so-called thought leadership is being created alongside a growing concern around the mushrooming of misinformation and disinformation, ranging from election results and referendums to climate change and trade relationships. Etter et al. (2019) show that as information is being created, refracted, and shared by different actors on social media platforms at unprecedented speeds, this creates greater divisions around how people perceive leaders and organisations.

Developing thought leadership creates an opportunity and a risk for management consulting firms. It is an opportunity to showcase the high-quality evidence-based research and advisory work that consulting firms participate in for business and society, but it also represents a risk if the insights they share are perceived as poor quality and trite. Before exploring how management consulting firms can more effectively develop thought leadership to build their reputations, it is important to clarify what we mean by thought leadership.

What is Thought Leadership?

Building on the open-access research with my co- authors (Harvey et al., 2021: 11), we define thought leadership as:

Knowledge from trusted, eminent, and authoritative sources that is actionable and provides valuable solutions for stakeholders.

Management consulting firms are known for focusing on providing solutions for their clients, but how actionable these solutions are can be variable. While some firms are known for being strong at working with their clients to implement solutions, others are infamous for providing intellectual solutions which are very difficult to operationalise in practice.

As a sector, management consulting has a variable track record in terms of client trust. Many clients have worked with consulting firms for decades and built-up a strong level of trust, while other clients are sceptical around the added value of the content and solutions delivered by management consultants.

As a sector, management consulting does generally have authority, with major publications such as The Economist and the Financial Times frequently citing the work of prominent firms such as McKinsey & Company. Partners of major consulting firms as well as medium-sized and boutique firms also tend to hold strong personal reputations, which can help provide them with authority when sharing thought leadership material. The benefit of high quality thought leadership content is it can help to build the reputation of the firm as well as the reputation of the individual.

Why Should Management Consulting Firms Create Thought Leadership?

One of the challenges that management consulting firms face is the disconnect between their identity claims (who we think we are) and their reputation (what others think we are). High quality thought leadership material can be an effective way of bridging the gap between a firm's identity and its reputation (Harvey et al., 2017). It is essential that the thought leadership is perceived as high quality. When executed well, this can help to reinforce the firm's identity claims to its clients, reinforcing and corroborating its core message around its expertise. However, when executed poorly, it raises alarm bells with clients around the quality of the work, which can undermine the firm and the individual's reputation.

Developing and sharing high quality thought leadership is particularly important in management consulting because it is a sector that suffers from information asymmetry where clients have less information about the service they will receive than consultants and therefore find it difficult to make judgments about quality. Impactful thought leadership can over time provide clients with tangible reassurances about the quality of the work delivered by management consulting firms.

There are three important building blocks for developing reputation (Lange et al., 2011). First, perceived quality, which is how external stakeholders perceive the quality of the organisation's products and services. Second, prominence, which is the visibility of the organisation in the public domain. Third, favourability, which is when the organization is perceived positively among a broad group of stakeholders. High quality thought leadership is a powerful tool for helping management consulting firms to enhance all three of these dimensions of reputation.

Where Next?

Reflecting on thought leadership is timely for management consulting given the major shifts that we are witnessing in business and society in response to the coronavirus

pandemic. These shifts will create new opportunities for advisory work for management consulting firms. However, with an increasingly knowledgeable, discerning, and impatient client base, this will necessitate consultants providing signals and reassurances around the quality of their work.

With the explosion of misinformation and disinformation online, organisations of all shapes, sizes and structures are looking for trusted and insightful sources of information. Developing high quality thought leadership that develops “knowledge from trusted, eminent, and authoritative sources that is actionable and provides valuable solutions for stakeholders” provides an opportunity for management consulting firms and their partners to build their reputation. In these times of transformation, thought leadership can also help management consulting firms to credibly pivot their own business models.

References

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