

Influences on Management Consulting Industry Size and Contribution to National Gross Domestic Product

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Abstract

Management consulting contributes around 0.3% to the world's gross domestic product, placing the sector's value at over USD 300bn today. When considered country-by-country, the size of each country's management consulting sector varied across several factors. In 2018, the International Council of Management Consulting Institutes (ICMCI) initiated its National Consulting Index (NCI) project to identify a statistical model using proxy indicators to predict the management consulting sector's expected market size and contribution to each country's Gross Domestic Product (GDP). The resulting NCI is the percentage of the financial contribution of management consulting to each nation's GDP.

This paper reports the current status of this research. It provides estimates using economic and cultural proxy predictors, leading to the expected in-country management consulting market size for 97 nations.

Introduction

The National Consulting Index (NCI) project was established to gain insight into differences in the national management consulting sector (MCS). It aims to develop a data-driven method for calculating each country's expected sector size. The International Council for Management Consulting Institutes (ICMCI) initiated the NCI project in 2018. The ICMCI, a United Nations-recognised non-governmental organisation, is dedicated to further developing management consulting as a global profession and contributor to economic success. Understanding variations in the management consulting sector worldwide is a valuable insight that the NCI project is uniquely positioned to provide. The 2024 NCI project is the most recent development and is more than a compilation of data. It has been a significant undertaking that has refined and strengthened the computational model for estimating an NCI, updated earlier estimates of the expected size of the MCS in each country for which data are available, and used the findings to learn more about the trends and characteristics of the consulting market.

In 2023, Source Global Research (SGR) estimated that the global average of a country's MCS was approximately 0.30% of gross domestic product (GDP), suggesting an international management consulting market of US\$312.5bn at that time. The NCI research seeks to illuminate the factors that can explain why a national MCS is proportionally higher in some countries than others. It has been recognised that the size of a country's management consulting sector (MCS) changes with the size of a country's economy, (Haslam, 2022; Haslam et al., 2020, 2022), the prosperity of its populace, and the presence of large and complex businesses (Barthelemy, 2020; O'Mahoney et al., 2021). Cultural differences also modify it (Barthelemy, 2020; Hofstede, 2011; O'Mahoney et al., 2021). This research aims to better understand national variances in the management consulting sector and develop a statistical model for calculating the sector's expected size in each country.

Defining 'Management Consulting'

Understanding what a management consultant is and is not becomes crucial when determining the sector's market size. While management consulting has been an essential service for governments and organisations since the late 1800s, the debate over its definition has continued. This argument has mainly been due to the incursion of and demand for subcontractors with specialist skills who call themselves or are referred to by their employers as 'consultants'. There is often a crossover, for example, between accounting services and the provision of strategic advice. Also confounding the definition are so-called 'internal consultants': employees within organisations who provide specialist consulting support within a company or corporate group but are not independent of their employer and, therefore, free to seek new clients beyond their employment boundaries.

Over time, several attempts have been made to define management consulting and the consulting role (Curnow & Reuvid, 2001; Greiner, 1982; ILO, 2002; ISO, 2017). Differentiating between a management consultant and an employee is straightforward. Employees must carry out lawful activities directed by their employer. In contrast, professional management consultants are independent of their clients and are free to select or refuse consulting projects and to accept work from

multiple clients. Employees are paid a wage by their employer, whereas consultants are paid a negotiated fee per project. However, choosing the difference between a subcontractor and a management consultant is sometimes less obvious and limited to the project type and the intent of the work commissioned. An organisation typically engages subcontractors to provide specific technical solutions or maintain or update infrastructure. In contrast, “management consulting is an independent advisory service contracted to improve organisational performance, address management challenges, help solve management problems, identify and assist clients in taking full advantage of growth opportunities, and assist with implementing change” (Blackman, 2024: 15).

Another complexity in attempting to define the size of the MCS derives from the multinational nature of many consultancies and the fact that income derived from consulting activities beyond the national borders of a consultancy’s home country is often not reported separately from that earned within those borders. This exaggerates the MCS size in countries where multinationals tend to be headquartered, such as the USA, Netherlands, and Ireland, while understating it in countries where the consultancy is not based but the income is generated (Miller, 2024).

Method

While knowledge of the size of the MCS remains sparse, understanding the cultural, economic, and political influences in determining the propensity of organisations in a country to engage management consultants and the MCS size and nature is even rarer. This research aims to fill some of those knowledge gaps and has the following research question and hypotheses at its core.

Research Question: *Does a country's cultural, economic, educational, and political profile impact the proportion of its GDP spent on management consulting services?*

Hypotheses

Hypothesis 1: *The expected size of a nation's MCS as a proportion of GDP is influenced by its cultural profile.*

Hypothesis 2: *The expected size of a nation's MCS as a proportion of GDP is dependent on a country's prosperity.*

Hypothesis 3: *The expected size of a nation's MCS as a proportion of GDP is influenced by its citizens' education level.*

Hypothesis 4: *The expected size of a nation's MCS as a proportion of GDP is influenced by its political profile.*

Reference data

One way to estimate a country’s expected MCS is to predict it by determining the relationship between a range of published indices and the size of the market in countries where reliable estimates of market size are known and suitable measures are available (Haslam & Blackman, 2023; Haslam et al., 2020; O'Mahoney et al., 2021), and then to use this relationship as a predictor. For this study, MCS data for 29 countries were purchased from UK-based Source Global Research (SGR), a research organisation specialising in the consulting sector. Table 1 shows the MCS data provided by SGR for the 29 reference countries underpinning this study. These reference countries were chosen for their size, geography, governance and cultural

diversity. The table includes the GDP for these countries and the NCI (the percentage of GDP directly accounted for by the MCS).

Table 1: The MCS, GDP and the NCI for the 29 reference countries (2023 figures)

Country	MCS US\$bn	National GDP US\$bn	NCI	Country	MCS US\$bn	National GDP US\$bn	NCI
UK	24.19	3,332	0.724	North Macedonia	1.28	546	0.234
Portugal	1.81	276	0.655	Argentina	1.32	621	0.212
France	17.76	3,049	0.582	Vietnam	0.87	433	0.201
Singapore	2.71	497	0.544	Thailand	1.01	512	0.197
USA	129.43	26,949	0.480	Italy	3.59	2,186	0.164
Germany	21.03	4,429	0.474	Indonesia	2.18	1,417	0.154
Australia	7.79	1,687	0.462	Mexico	2.65	1,811	0.146
Malaysia	1.81	430	0.420	Brazil	3.06	2,126	0.144
Netherlands	3.68	1,092	0.337	Japan	5.95	4,230	0.141
Canada	7.02	2,117	0.332	Türkiye	1.48	1,154	0.128
Spain	4.65	1,582	0.294	Chinese Taipei	0.77	751	0.102
Chile	0.99	344	0.290	China	16.72	17,700	0.095
Columbia	0.99	363	0.274	South Korea	0.99	1,709	0.058
Kenya	0.31	112	0.270	Russian Fed.	0.71	1,862	0.038
Austria	1.42	526	0.270				

Regression analysis for predicting MCS

The research method involved identifying correlations with the MCS sizes for the 29 reference countries with a wide range of publicly available economic indicators and socio-economic and cultural indices. The indices were chosen for their coverage, credibility, and use in prior research. Indices were tested for correlation, and those uncorrelated with the MCS for the reference countries were excluded from further analysis. The selection of correlating indices was then reduced to create the best-fitting linear regression model for predicting the expected MCS size for the highest number of countries.

In the ICMCI NCI 2024 study (Blackman et al., 2024b) predictions were made for the expected MCS size in 55 more countries. The methodology employed then followed that reported by Blackman et al. (2024b). The dependent variable (DV) was the set of 29 adjusted SGR estimates. The sample was smaller than the 20 plus five for each IV recommended for multiple regression by Khamis and Kepler (2010). However, although the selected countries represented just 13.7 per cent of the total number of countries, they accounted for 85.8 per cent of the global market in US dollars, as estimated by SGR.

Table 2 shows six independent variables (IVs) used in previous analyses (Blackman, 2023; Haslam, 2022; Haslam & Blackman, 2023). Twelve additional IVs were considered for this analysis. In all cases, the most recently published official data were used.

Table 2: Independent variables considered for analysis

Initial IVs	Additional IVs
Hofstede's Individualism-Collectivism (Schachner & Sakkinen, 2024)	Corruption Perception Index
Index of Economic Freedom	National population
Global Innovation Index	Education Index
V-Dem Liberal Democratic Index	Economic Growth Rate
Gross Domestic Product (GDP) per capita	The other five Hofstede's Cultural Dimensions (Schachner & Sakkinen, 2024)
GDP	The NCI from the prior year (2022)
	R&D expenditure as a percentage of GDP
	UN Human Development Index

Several exploratory tools, including correlation, ANOVA, and linear regression, were used to isolate the regression model that was the best fit for predicting an MCS value. Skewed data were transformed using natural logarithmic conversion. The resulting list of IVs used was reduced to the following three to optimise effect size, the regression model's fit, and predictive reliability (Khamis & Kepler, 2010; Tabachnick & Fidell, 2023):

1. Log N GDP 2023
2. Hofstede's Uncertainty Avoidance 2023
3. V-Dem Liberal Democracy Index

Results

MCS as a Proportion of GDP

The linear regression model, where the corresponding unstandardised beta (B) coefficients listed in Table 3 were used, was:

$$\text{LogN of the SGR estimate} = B \text{ Constant} + \text{Log N GDP2023} * B + \text{Hofstede's Uncertainty Avoidance} * B + \text{V-Dem Liberal Democracy Index} * B, \text{ then} \\ \text{EXP (LogN of the SGR estimate)} = \text{Predicted expected SGR estimate}$$

One of the 29 countries, North Macedonia, exceeded the critical Mahalanobis distance chi-square for $df = 3$ ($\alpha = 0.001$) of 16.226. Cook's distance (>1.0) confirmed it as an influential outlier, so it was excluded from the analysis. The subsequent linear regression found that, in combination, the four IVs accounted for 83.9 per cent of the variability in the transformed Source Global Research estimate ($R^2 = 0.839$; adjusted $R^2 = 0.813$, $F(4,24) = 31.376$, $p = 0.000$). By convention (Cohen, 1988), an effect of this size is considered large ($f^2 = 5.2$).

As shown in Table 3, three IVs contributed significant unique variance to the regression. While Hofstede's Uncertainty Avoidance was also significant ($t = -3.872$,

p. = 0.001, sr² = -.082), it was negative, indicating a lower MCS size associated with a country's higher uncertainty avoidance.

Table 3: MCS size prediction model using 2023 data.

Variable	<i>Unstandardised B</i>	<i>SE</i>	<i>t</i>	<i>p</i>	<i>sr²</i>
Constant	-4.001	1.244	-3.215	0.004	
Log N GDP 2023	0.857	0.085	10.064	0.000	0.588
Hofstede's Uncertainty Avoidance	-0.017	0.005	-3.664	0.001	-0.558
V-Dem Liberal Democracy Index	1.827	0.403	4.536	0.000	0.120

Unstandardised beta coefficients from the regression were then used to predict the value of the MCS in the 97 countries. Following expanding the resulting natural log expressions to millions of US dollars, the values were adjusted by the median percentage difference (-0.29 per cent) between the SGR estimates and the regression predictions to create final estimates of the expected in-market MCS size. The adjusted predicted values correlated strongly with the estimates provided by SGR ($r = 0.980$, $p = 0.000$). Lastly, the NCI was determined by dividing the adjusted MCS for each country by its GDP. The median NCI was .003644. In other words, the median global MCS was 0.3644 per cent of GDP ($M = .004325$, $SD = .002741$), with a range across nations from 0.07 to 1.56 per cent. Given that the global GDP in 2023 was USD105,435,040 million (WorldBank, 2024), the expected global market for management consulting services by revenue in 2023 is USD 384,205 million.

National Profile Influences

Cultural differences in governments' and businesses' tendency to acquire management advisory services have been identified previously by contrasting MCS activity using Hofstede's cultural dimensions (Haslam et al., 2020; Hofstede, 2011; O'Mahoney et al., 2021) or a variant of those (Barthelemy, 2020). The presence of larger and more complex businesses in an economy has also been suggested to drive sector spending. (O'Mahoney et al., 2021). However, Blackman et al. (2024a) found the findings to be inconsistent; for example, O'Mahoney et al. (2021) observed a strong negative relationship between power distance and consultancy spending, whereas Haslam et al. saw no such relationship (Haslam & Blackman, 2023; Haslam et al.). Also, O'Mahoney's team found a strong positive relationship between individualism and the level of spending on consultancy, which is supported by the findings of Haslam et al (2023). However, this contrasts with that of Premer et al. (2018), who found a negative relationship between individualism and the propensity to purchase management consulting services in their study of a European sample. Lastly, Barthelemy found a significant positive relationship between the level of uncertainty avoidance in a country and management consulting expenditure (Barthelemy, 2020). In contrast, Blackman et al (2024a) identified a weak negative relationship.

For their 2024 NCI report to ICMCI members, Blackman, Abdel-Jaber, and Haslam added another approach (2024a) to explain the earlier inconsistencies in the literature. Instead of limiting the comparisons to Hofstede's cultural dimensions (Hofstede, 2011; Minkov, 2007), the 84 countries for which an NCI calculation was possible at that time were also compared across a modified Inglehart–Welzel Cultural Map (Inglehart & Welzel, 2023) in which Catholic and Protestant European categories had been combined.

From that study, the authors (2024a) identified four statistically significant correlations with the NCI: two were negative - power distance, which was moderately correlated, and uncertainty avoidance, which was weakly correlated. Two others were moderately and positively correlated with the NCI: individualism and indulgence. The researchers then compared the mean NCI for the 84 countries they studied to contrast groups on the modified Inglehart-Welzel World Cultural Map and identified significant differences in the NCI between English-speaking and Confucian and African-Islamic cultural groups. They concluded that the findings tended to be supported by the correlations identified from the comparison of NCI results across Hofstede's cultural dimensions and the cultural differences between ethnoreligious groups identified by Hofstede (2011) and Minkov (2011). However, those correlations were not strong, perhaps reflecting the diversity within groups on the 'Cultural Map' (Blackman et al., 2024a: 13).

A similar approach was adopted for this study, although the Inglehart-Welzel World Cultural Map was not modified from the original.

Cultural Influences

To compare the NCI computed earlier to groups from the Inglehart-Welzel World Cultural Map, a Kruskal-Wallis ANOVA was selected, as the assumptions of normally distributed data and heterogeneity required for analysis of variance were not met. A Kruskal-Wallis analysis is also less sensitive to outliers (Bennett et al., 2023). Significant differences were found between English-speaking countries (Mean Rank = 61.50), African-Islamic (Mean Rank = 24.22) and Confucian (Mean Rank = 17.50) cultural groups (H (corrected for ties) = 0.33, $df = 5$, $N = 68$, $p = 0.000$, Cohen's $f = 0.71$).

Bivariate correlation analysis of the NCI and Hofstede's six cultural dimensions identified two positive and three negative significant relationships. The positive relationships to the NCI were with Indulgence ($r = 0.417$, $p = 0.000$) and Individualism ($r = 0.391$, $p = 0.000$). The negative correlations were with Uncertainty Avoidance ($r = -0.539$, $p = 0.000$), Power Distance ($r = -0.516$, $p = 0.001$) and Motivation to Achieve ($r = -0.320$, $p = .001$). A linear regression analysis with the NCI as the dependent variable and Hofstede's six cultural dimensions was significant ($R^2 = 0.568$, $Adj R^2 = 0.534$, $F(6, 77) = 16.867$, $p = 0.000$). Given that Cohen's f was more than 0.35 (Cohen, 1988), the effect was considered large (Cohen's $f^2 = 1.31$). Variance inflation factor (VIF) scores below five indicated that multicollinearity is not an issue with this analysis (Bennett et al., 2023).

Two of Hofstede's dimensions contributed significant unique variance to the regression: Uncertainty Avoidance ($t = -5.416$, $p = 0.000$) and Motivation to Achieve ($t = -3.383$, $p = 0.001$), while Individualism approached significance ($t = 1.949$, $p = 0.055$) and warrants further investigation. In all, Hofstede's Cultural Dimensions accounted for 56.8 per cent of the variance in the NCI (Table 4).

Table 4: Cultural influences on the NCI - regression model output

Variable	B	SE	t	p	sr²
Constant	0.009	0.002	5.785	0.000	
Power-Distance	-2.088e-5	0.000	-1.552	0.125	
Individualism	-2.598e-5	0.000	1.949	0.055	
Motivation to achieve	-3.495e-5	0.000	-3.383	0.001	-0.506
Uncertainty avoidance	-5.338e-5	0.000	-5.416	0.000	-0.812
Long-term orientation	-1.027e-5	0.000	-0.829	0.410	
Indulgence	1.841e-5	0.000	1.683	0.096	

National Prosperity

A second bivariate correlation analysis was undertaken to identify relationships between the NCI and the size of an economy, economic growth rate, individual prosperity of a nation's populace as measured by GDP per capita, and the proportion of GDP spent on research and development (R&D). A significant positive correlation was identified with GDP per capita ($r = 0.317$, $p = 0.006$). Significant negative relationships were found for the natural logarithm of GDP ($r = -0.292$, $p = 0.010$) and Economic Growth Rate ($r = -0.300$, $p = 0.009$). A second linear regression analysis with the four prosperity variables was also significant ($R^2 = 0.295$, $\text{Adj } R^2 = 0.246$, $F(4, 58) = 6.061$, $p = 0.000$), and the effect size was large (Cohen's $f^2 = 0.42$) (Cohen, 1988). Multicollinearity was not a concern with this model ($VIF = <5$) (Bennett et al., 2023).

The natural logarithm of GDP ($t = -3.525$, $p = 0.001$) and GDP per capita ($t = 2.180$, $p = 0.033$) significantly contributed to the variability in NCI. In combination, the four variables explained 29.5 per cent of the variability in NCI (Table 5).

Table 5: National prosperity influence on NCI - regression model output

Variable	B	SE	t	p	sr²
Constant	0.006	0.004	1.481	0.144	
Log N GDP (2023).	-0.001	0.000	-3.525	0.001	-0.778
GDP per capita 2023	0.001	0.000	2.180	0.033	0.0576
Economic growth rate	0.000	0.000	-1.307	0.196	
National R&D as a proportion of GDP	0.000	0.000	0.405	0.687	

Citizen Education

A third bivariate correlation analysis was undertaken to identify relationships between the NCI and citizen education levels and English language usage. The English Proficiency Index ($r = 0.474$, $p = 0.000$) had a moderate and significant positive correlation. In contrast, weak relationships were identified with the Education Index ($r = 0.237$, $p = 0.017$) and whether the country's official language included English ($r = 0.236$, $p = 0.017$).

A third linear regression analysis with the three education variables was also significant ($R^2 = 0.342$, $\text{Adj } R^2 = 0.309$, $F(3, 60) = 10.397$, $p = 0.000$), although the effect size in this case was medium (Cohen's $f^2 = 0.31$) (Cohen, 1988). Once again, multicollinearity was not a concern with this model ($VIF = <5$) (Bennett et al., 2023).

The English Proficiency Index ($t = 3.811$, $p = 0.000$) significantly and uniquely contributed to the variability in NCI, while the other two predictors were not

significant contributors. Overall, the model explained 23.6 per cent of the variability in NCI (Table 6).

Table 6: Citizen education regression model output

Variable	B	SE	t	p	sr²
Constant	-.005	0.002	-2.319	0.023	
Education Index	0.001	0.002	0.304	0.762	
English Proficiency Index	1.496e-5	0.000	3.811	0.000	0.144
English speaking	0.001	0.001	0.993	0.324	

Political Profile

Six variables related to a country's political profile were included for analysis:

1. Corruption Perception Index 2023
2. eGovernment Development Index 2022
3. Global Innovation Index 2023
4. Index of Economic Freedom 2023
5. United Nations Human Development Index 2023
6. V-Dem Liberal Democracy Index 2023

Five of the six predictors had positive, moderate, and significant correlations with the NCI, while the relationship to the eGovernment Development Index approached significance ($r = 0.234$, $p = 0.057$) (Table 7).

Table 7: Political profile variables correlations with the NCI

Variable	r	Sig.
V-Dem Liberal Democracy Index	0.640	0.000
Index of Economic Freedom	0.558	0.000
Corruption Perception Index	0.509	0.000
Global Innovation Index	0.345	0.009
United Nations Human Development Index	0.302	0.020
eGovernment Development Index	0.234	0.057

A fourth linear regression analysis was undertaken using the six variables listed above. Once again, the regression was significant ($R^2 = 0.522$, $\text{Adj } R^2 = 0.450$, $F(6, 40) = 7.283$, $p = 0.000$, Cohen's $f^2 = 1.09$), and the effect size large (Cohen, 1988). VIF scores of less than 10 indicate that multicollinearity was not a key concern for this regression (Bennett et al., 2023).

The V-Dem Liberal Democracy Index significantly explained NCI variability, while the other predictors did not. Overall, the political profile predictors explained 52.2 per cent of the variance in the NCI (Table 8).

Table 8: Political profile regression model output

Variable	B	SE	t	p	sr²
Constant	0.000	0.004	0.045	0.964	
e-Government Development Index	-0.010	0.006	-1.715	0.094	
Index of Economic Freedom	0.000	0.000	1.717	0.094	
V-Dem Liberal Democracy Index	0.005	0.002	2.763	0.009	0.091
Corruption Perception Index	4.204e-5	0.000	0.869	0.390	
Global Innovation Index	-3.278e-5	0.000	-0.629	0.533	
United Nations Human Development Index	7.738e-5	0.008	0.010	0.992	

Overall Contribution to NCI Variability

In order to assess the overall influence of each grouping, the unstandardised predicted values from the previous four regression analyses - Cultural, Prosperity, Education, and Political - were saved as new variables. All four were positively correlated with the NCI, and all were statistically significant (Cultural: $r = 0.713$, $p = 0.000$; Prosperity: $r = 0.555$, $p = 0.000$; Education: $r = 0.502$, $p = 0.001$; and Political: $r = 0.681$, $p = 0.000$). A fifth linear regression was computed using the four new variables as independent variables and the NCI as the dependent variable. That regression, too, was significant ($R^2 = 0.568$, $\text{Adj } R^2 = 0.517$, $F(4, 34) = 11.183$, $p = 0.000$), and the effect size, again, was large (Cohen's $f^2 = 1.31$). Multicollinearity was not an issue with this model ($VIF = <5$).

Overall, the four new variables explained 56.8 per cent of the variability in NCI, with cultural ($t = 2.446$, $p = 0.020$) and Political ($t = 2.099$, $p = 0.043$) factors contributing significantly to the model's variability.

Table 9 summarises the regression findings for four hypotheses, while Table 10 shows the significant unique contributions of cultural and political profiles to the variability in the regression.

Table 9: Hypothesis regression results

Hypothesis	r	R²	Adj. R²	F	df	Sig.	Outcome
H1: Cultural	0.754	0.568	0.534	16.867	5,77	0.000	Supported
H2: Prosperity	0.543	0.295	0.246	6.061	4,58	0.000	Partly supported
H3: Education and English speaking	0.486	0.236	0.207	7.947	3,77	0.000	Partly supported
H4: Political profile	0.723	0.522	0.450	7.283	6,40	0.000	Supported
Overall	0.754	0.568	0.517	11.183	4,34	0.000	

Table 10: Overall influences on the proportion of GDP spent on management consulting services

Variable	B	SE	t	p	sr²
Constant	0.000	0.001	0.143	0.887	
H1: Cultural	1.305	0.534	2.446	0.020	0.076
H2: Prosperity	-0.982	0.680	-1.445	0.158	
H3: Education	0.112	0.382	0.292	0.772	
H4: Political profile	1.187	0.566	2.099	0.043	0.056

Discussion

This research project asked, “Does a country's cultural, economic, educational, and political profile impact the proportion of its GDP spent on management consulting services?” As shown in Table 9, the four hypotheses have been either supported or partly supported by this research's findings. Table 10 shows that a nation's cultural, prosperity, education, and political profiles explain 56.8 per cent of the variability when predicting the contribution of the MCS to its GDP and that a country's cultural and political profiles are significant, unique contributors to that variance. Therefore, the answer to the question posed by this research is mainly positive. The result also allows for a global prediction of the global MCS size based on GDP figures when published (WorldBank, 2025).

The regression used in this research is a valuable predictor of MCS size and the sector's contribution to a nation's GDP. The correlation between the purchased estimates from SGR and the adjusted predictions of MCS size is strong ($r = 0.998$, $p = 0.000$), and the model successfully predicted an expected MCS size and NCI for 97 countries. The resulting NCI calculation is, therefore, a reasonable estimate of the expected contribution of the MCS to a country's GDP. However, determining the expected size of the MCS within a country has proven difficult.

O'Mahoney et al. (2021) suggested that an essential contributor to a country's spending on management consulting services might be the presence of large, complex businesses. While that may be the case, determining the number of firms by size in an economy is complicated when each country's definitions of the characteristics of large, medium, and small businesses vary widely (Blackman, 2003; Neck, 1977). Moreover, government reporting is inconsistent. We suggest that the number of businesses in an economy might also be estimated reasonably by proxy economic indicators, such as national innovation, GDP per capita, and research and development expenditure. However, further research is needed in this area.

The complexity in determining MCS size partly derives from definitional confusion surrounding what services management consulting includes. By clearly defining and limiting the role to independent advisory services focused on change management, the improvement of organisational performance, addressing challenges, problem-solving, and taking advantage of growth opportunities (Blackman, 2024), it becomes possible to separate income derived from management consulting from that earned from other services, such as IT maintenance, accounting, and auditing. It also allows the exclusion of income derived, or offset, from so-called non-independent 'internal consultants', often hidden behind a corporate veil.

Establishing a country's MCS size is also tricky because the source of consulting revenue cannot be identified. This is particularly true for larger multinational consultancies that report in one country but earn revenue from clients in another. Taxation advantages and domesticity often drive such arrangements and determine where performance reporting occurs. The impacts of such arrangements overstate the revenue gained in the country where a consultancy reports and understates it for the one where it is earned. While national governments could, and we argue should, capture and report the sector's income for their country, as it stands, most do not, which leaves an estimation of market size to speculation.

Conclusions and Recommendations

This research adds to the growing body of knowledge of the importance and size of management consulting as a service industry. The analysis has predicted the expected MCS size in 97 countries and the world market size using proxy social, cultural, economic, and political measures. From those predictions, management consulting is a significant service industry worldwide, especially in countries with higher education levels and where English is an official language spoken fluently. However, the proportion of GDP spent on management consulting varies across broad ethnoreligious and cultural dimensions. It is influenced by societal motivations for achievement and uncertainty avoidance, each country's economic size, and the prosperity of its citizens. It is also affected by the government type and policy. Overall, cultural and political factors were significantly associated with the proportion of GDP contributed by the sector. However, whether the approach used here can be extended to predict the size of other service sectors has not been attempted, and we encourage research to test the method's applicability more broadly and to compare findings to national data on the industry when and if they are reported. Continued development of the NCI project is also recommended.

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