
Perspectives on Quality and Quality Assurance in the Management Consulting Sector

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Abstract

Management consultancy (MC) aims to generate value for organisations through enhanced organisational performance by providing objective advice and implementing business solutions (Management Consultancies Association (MCA), 2022). The success and growth of the industry, generating global revenues of US\$634 billion and employing more than 4.3 billion people between 2018 – 2019 (Mosonyi, Empson and Gond, 2020), is a key indicator of the positive outcomes of management consultancy as a significant contributor to economies worldwide. However, the expansion and diversification of the unregulated sector poses issues for Quality Assurance (QA) as it seeks to ratify professionalism.

Introduction

Management consultancy (MC) aims to generate value for organisations through enhanced organisational performance by providing objective advice and implementing business solutions (Management Consultancies Association (MCA), 2022). The success and growth of the industry, generating global revenues of US\$634 billion and employing more than 4.3 billion people between 2018 – 2019 (Mosonyi, Empson and Gond, 2020), is a key indicator of the positive outcomes of management consultancy as a significant contributor to economies worldwide. However, the expansion and diversification of the unregulated sector poses issues for Quality Assurance (QA) as it seeks to ratify professionalism.

The Quality Assurance Challenge

Information and knowledge is used to create value (Edvinsson and Malone, 1997) and wealth (Stewart, 1997) in a diverse industry where deliverables are not uniform and change exists on a client-by-client basis. The intangible nature of the knowledge-intensive industry (Alvesson, 2000), where problems are often complex and ‘messy’ (Schmuck, 2017), contributes to QA issues (Clark, 1993 and Mitchell, 1994, cited in Clark and Salaman, 1998; Schmuck, 2017) making quality difficult to define (Schmuck, 2017). The sector strives for professionalism but is often hindered by the sector’s institutional uncertainty (Glückler and Armbrüster, 2003); it is devoid of regulation and lacks a widely accepted body of MC knowledge (Visscher, 2006).

Christensen, Wang and Bever (2013) suggested MC’s operate similarly to a black box: companies bring them a problem and they produce a solution, often the ‘working out’ is not apparent. MC’s ‘deliverables’ are not uniform and differ according to client and context, often ensuing a significant challenge for clients to determine the value and quality of service they are purchasing. Trust is critical but often this intangibility leaves clients struggling to assess the value of the work undertaken and may reduce confidence when implementing out-comes. Clients are essentially buying into a promise – a promise of a certain standard of quality (Levitt, 1981, cited in Clark and Salaman, 1998).

Low Barriers to Entry

A widening of what consultancy means, low barriers to entry and global connectivity has led to growing numbers of independent portfolio workers and small consultancy firms with specialised skills. Management consultants are often identified as ‘professionals’ (Shaw, 2020), yet, essentially, anybody can market their ‘consultancy’ services regardless of competence (Glückler and Armbrüster, 2003; Kitay and Wright, 2007). Sohbe stated, “In today’s information age, intelligence is what drives success, and that holds true for businesses of any size” (Consulting.us, 2021).

Lack of quality control and institutional setting creates an environment for opportunistic behaviour and subsequent threats of inadequate service and performance risks for the

client (Glückler and Armbrüster, 2003); this can result in a damaging impact on the MC profession, amplifying the importance of professionalisation to ensure high quality practice throughout the sector.

Professionalisation in an Unregulated Market

A major challenge affecting QA is the sector's intangibility (Clark, 1993 and Mitchell, 1994, cited in Clark and Salaman, 1998) and ability to ensure the practice of high ethical standards and competency, in a profession that remains unregulated. Despite attempts, the knowhow of management consultants has failed to secure accreditation similar to other professions such as law and accountancy (Butler and Collins, 2016). Global uniformity of the consultancy standards for the sector may lend itself to professionalisation, however, many obstacles exist to attain consistency in knowhow (Sveiby and Lloyd, 1987) given the variety of consultancy specialisations and environments.

As a profession there must be 'buy-in' to a standard, yet, resistance often occurs with standards deemed as burdensome, rather than beneficial (Leporo, 2011). Leaders of prestigious firms – including McKinsey and Booz Allen, actively campaigned against certification of their employees (McKenna, 2006). Such larger organisations generally have their own set of robust codes of behaviour and ethical standards (Hodges, 2017) embedded throughout the organisation. This leaves smaller firms and individuals, often without such standards, with inconsistent QA and consulting competence.

A significant obstacle to organising a powerful lobby in the political professionalisation process (Groß and Kieser, 2006) is the lack of harmony amongst consultancies, "Legally established jurisdiction comes slowly and endures forever" (Abbott, 1988, p. 64). Responsibility for ethical behaviour typically lies with the individual consultant (Hodges, 2017), as such, those who may not have received ethical training may not recognise unethical actions. Attempts have been made to establish optimal consultancy practices and enhance quality assurance through universal codes of conduct, codes of ethics, and standard professional practice. Many countries have pursued the formulation of national standards. However, ambiguity is often rife in attempts to be all encompassing.

A more standardised approach to consultancy guidelines would presuppose more standardised tasks (Groß, and Kieser, 2006). Mol and Birkinshaw (2009) referred to occasions where managerial "fashions" (Abrahamson, 1996) are adopted as solutions from one company and applied to another, allowing for standardised results. A question of 'professionalism' and ethics exists, however, when consultants endeavour to solve a magnitude of managerial problems with limited and standard solutions (Ciumara, 2011). Quality standards are one way of setting frameworks. These frameworks help inform clients and garner trust by establishing detailed requirements and specifications to guide the provision of services. However, there are also benefits on the consultancy side above increasing confidence and trust; standards can also increase productivity, morale, in-house communication and, subsequently, improve client satisfaction (Weakliem and Frenkel, 2006; Wirtz and Lovelock, 2022).

ISO 20700

The ISO 20700, published for the first time in 2017, aims to address the challenges around quality assurance by establishing standards for principles and three phases - contracting, execution, and closure (ISO, 2017). It was collaboratively developed to allow all stakeholders, including clients, the opportunity to share their views to create a new layer of credibility and confidence (ISO, 2012; Naden, 2016) to the profession by enhancing understanding of client's needs and providing more predictable results - improving quality, professionalism, and ethical behaviour during assignments.

ISO 20700 does not require certification and is not a 'quality guarantee'; however, it does provide a benchmark for quality and performance (International Council of Management Consulting Institutes (ICMCI), 2021 and Ennsfellner, 2019). The standard is internationally recognised but does permit consulting bodies in different countries to develop their own ethical guidelines. This pragmatism recognises that although uniformity is ideal for technical standards it is not always pragmatic for management standards (Leporo, 2011). Although useful to all MC's, the standard is arguably most valuable to smaller con-sultancies and helps assure clients that they are following an ISO standard framework for mutually beneficial effective results.

The International Council of Management Consulting Institutes (ICMCI) is an international membership organisation with a purpose of 'raising standards in the profession of management consultancy'. Providing a Code of Professional Conduct, it outlines 'ethical and acceptable conduct in a way that upholds those values and ensures the high ethical and conduct expectations of the profession', (ICMCI, 2021) seeking commitment that consultancies 'behave in a way that is fair, reasonable and ethical', guiding members towards the right course of action (ICMCI, 2021). The ICMCI provides the Certified Management Consultant (CMC) qualification which acts as a global standard of proficiency, demonstrating ability and commitment towards high consulting standards, and is recognised in over sixty countries, which is "similar in scope and reliability to Chartered Professional Accountants" (ICMCI, 2021 and Ennsfellner, 2019).

The Management Consultancies Association (MCA) states its members reflect "the highest standards and quality in consulting". In 2017 it launched a 'Consulting Excellence scheme' as 'a hallmark of trust and quality' that commits its members to promoting high standards of ethical behaviour (MCA, 2016). Professional associations provide consultants with sets of guidelines and standards; however, they serve only as a framework and often carry no obligation (Lester, 2014). In the absence of regulation and uniformity of standards and, subsequently, QA, the client-consultant relationship is often established through skills competencies (Hodges, 2017) and a 'leap of faith' (Nikolova et al., 2015). It is often indirect signals that lead clients to seek consultant firms, whether that be trust, brand, or experience.

Impression Management

Successful consultancy recognises the active management of the client-consultant relationship to create optimal impressions of their service, since little can be directly evaluated beforehand (Clark and Salaman, 1998). Impression management is essential for the successful consultant to create and maintain a compelling impression - demonstrating quality and value to clients. Consultants must show their 'front stage self' (Bourgoin and Harvey, 2018) and display behaviours accepted by clients in a bid to control the impression of others (Sociology Group, 2019). With little tangible product to show prospective clients, impression management is pivotal; MCs must create a reality that persuades clients of value and quality (Clark and Salaman, 1998).

Clients buy into the competency, reputation, and experience of the consultancy service. Consistent quality for both consultant and client is difficult, (ICMCI and Ennsfellner, 2019) but standards are one part of impression management towards a performance pledge. Guidelines are useful tools for impression management and consultancy firms to draw upon to demonstrate a commitment to professionalism and a promise of competent and professional consultancy.

Trust

Wickham and Wilcock (2016) state that relationship building is a critical skill for the MC. More so than most services, market success for MC's is rooted in the ability to maintain long-standing trustworthy client relationships. In assignments with opaque outlining of process, with deliverables often beyond the reach of objective assessment, a consultant's ability to secure clients' trust is a principle requirement (Glückler and Armbrüster, 2003) for building an effective client-consultant relationship (Hodges, 2017). Experience-based trust and networked reputation (Glückler and Armbrüster, 2003) are two such mechanisms to bridge uncertainties. Once established, experience-based trust and word of mouth can enable reciprocal and enduring relationships (Schein, 2009).

Trust remains the hallmark that helps established consultants win business - a badge that newer entrants strive towards establishing, with younger consultants enduring 'challenges in gaining / maintaining client trust and respect and having to cope with youth and gender bias', (Baldwin, Haslam and Brennan, 2019). Aside from acquiring business, trust is intrinsic to management consultants fulfilling their role (Wenger, 1998, Nikolova et al. 2015; Stumpf and Lonman, 2000). How trust and relationships are established can vary. Moving away from more passive models of interaction with the client as expert (Abbott, 1988) or symbolic communication (Clark, 1995) and, instead, increasing the role of clients in identifying problems and co-creating solutions (Lilja and Poufelt, 2001) may redress equilibrium and promote co-creation. This latter interaction was referred by Nikolova et al. (p. 290, 2008) as a 'social learning model' and references the work of Schön (1983) and Schein (1988), highlighting the importance of communication to bridge understanding. It is also outlined in ISO 20700. It places the client in a less passive position and may reap greater long-term benefits in implementing outcomes. Dr Brian Ing (Haslam et al. 2021, p.5) referred to this interaction as a 'conversation' that differentiates the analyst from the consultant.

Once trust is established, means of persuasion may merge and there may be less reliance on push/pull techniques (Haslam, 2017, p. 70). However, effective listening (Kline, 1999), and extracting information from the client remains a key skill of the consultant, and communication techniques such as engaging the client in the 'zone of uncomfortable debate' (Bowman, 1995, p. 10) may seem less combative once trust is established. A client's willingness to share information is dependent on how much they trust the consultant (Stumpf and Lonman, 2000). Consultants must approach projects with clear intentions to do good for their clients, placing their clients' interests, above their own throughout their consultancy projects (Shaw, 2020).

Mike Cope's TRUST mnemonic as highlighted by Hodges (2017, p.241) guides consultants and clients to be 'Truthful', no matter how 'painful' the truth is, encouraging 'Responsive(ness)' to engage from the client's perspective with 'Uniform(ity)' outlining consistency of ideas and attitude. The client, at all times, must feel 'Safe' working with the consultant. Finally, Cope ends with 'Trained', to signify the client's faith in the competency of the consultant's experience. This TRUST is embodied throughout ISO 20700.

Conclusion

There is no single or best way to manage quality in management consultancy (Schmuck, 2017). The intangibility, the variation in deliverable outcomes and the complexities of standardisation - in the absence of certification and regulation - render QA in the sector an ongoing quest.

Professional standards do pave the way towards QA, guiding the consultant with a pathway towards competency and professionalism. However, limited to 'guidance', and without codified knowledge to regulate and further professionalise the sector, QA will remain variable. Ultimately, it remains the consultant's responsibility to assure quality and deliver competence in a bid to maintain 'professionalism' throughout the sector. The value of a fully regulated approach to QA remains questionable; it is not the standard itself that will provide quality but the implementation and adaptation standards prompt (Stracke, 2010). However, a set of rules and regulations to 'professionalise' the sector - enhancing QA - in a quest to safeguard and strengthen its credibility, is a substantial pathway towards optimising quality assurance.

The adoption of such standards demonstrates the consultant's commitment to quality and professionalism. In a profession that relies on experience, building trust and impression management as determiners of success, and sustainability, it is perhaps these standards that provide the greatest regulation of quality assurance. It is up to the consultant, herself, with a moral compass that ensures commitment to quality to embed and apply the principles and phases of ISO 20700 throughout her work - "front stage" and "backstage." It will be these consultants that stand out, providing a quality above and beyond that which accreditation can offer.

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