PART IV

IN SEARCH OF PROFESSIONALISM
IN MANAGEMENT CONSULTING

CHAPTER 12

CRITICALLY EXPLORING BUSINESS ENGAGEMENT IN ACADEMIA

The Case of the U.K. Consulting Industry

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The dominance of managerial and business prerogatives in government and the public sector has accelerated over the last 25 years and, especially in the United States and the United Kingdom, has had far-reaching consequences for the priorities of public institutions such as the health service, the civil service and the academy (Craig & Brooks, 2006; Clark, Gewirtz, & McLaughlin, 2000;). In the United States, the political impetus for the introduction of business imperatives to the higher education sector were introduced through a change in governance, a reprioritization of funding priorities, and a drive to expand business education as a "cash cow" for university financing (Deem, Hillyard, Reed, & Reed, 2007).

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Central to the transformation of the higher education sector has been a drive to engage university research, especially in business schools, with the priorities and opportunities presented in various business sectors. In

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recent years, this has focused especially on what can loosely be termed the "knowledge economy," which includes professional service firms, knowledge intensive firms and innovation networks (Adler et al., 2007). This chapter critically examines the challenges faced by one industry within this area, management consultancy, and the extent to which these trends have driven and received the research attention of academic researchers. Management consultancy is chosen in part because it is perhaps the most successful of the new economy industries, but also because it has, through its growing influence with central government, helped set the agenda and discourse of business engagement in higher education.

The chapter first provides a brief outline of the U.K. consulting industry, tracing its importance in terms of the new managerialism in the public sector and its subsequent prioritization by the U.K. government as a business to be engaged with by academics. Next, using interviews with senior stakeholders in the U.K. consulting industry, the challenges and research priorities for this sector are detailed. These priorities are then compared to the actual academic output in this field. It is found that few academics have researched what the consultancy industry perceives as its priorities and challenges. A number of other concerns dominate higher education research agendas, especially in leading journals. However, rather than concluding that this is an example of the disjunct, and therefore, failure, of the engagement between consultancy and academia, it suggests that the priorities of academics may help to highlight longer-term and more fundamental issues that could help sustain and renew the industry.

The chapter seeks to achieve a number of things. First, it elicits the current challenges and priorities of the U.K. consulting industry. Second, it examines the extent to which academic research is meeting these concerns. Third, it examines the issues academics have been prioritizing when studying consultancy, which appear to be removed from the challenges that the industry itself espouses. Finally, it provides a critical empirical examination of the agenda-setting priorities of the "new managerialism" in the public sector.

AN ARRANGED MARRIAGE OR TRUE LOVE?

In the United Kingdom, the introduction of "new managerialism" into the public sector, and specifically to the institutions of higher education, was enabled through a number of mechanisms. In the 1980s the funding cuts to higher education made by the Thatcher government necessitated an examination of alternative forms of financing for university governance. Central to this effort was an expansion of the managerialist

agenda in business schools. Thus, sociological academics found their funding cut and opportunities curtailed while those who sought to explore managerialist agendas or develop master of business administration (MBA) teaching were rewarded by both the funding bodies and the business market (Kaufman, 2004, p. 401). As MBAs demanded a more engaged and managerialist cadre of professors than courses, say, in industrial relations or work sociology, an implicit transformation occurred in business schools. Throughout the 1980s managerial teaching and research were prioritized and promoted over such subjects as sociology or political studies.

This change in teaching priorities was paralleled by changes in governance, management and funding opportunities. In governance, executives from industry and business were increasingly placed in roles previously held by academics. For example, in the Economic and Social Research Council (ESRC), the Department for Education (DoE) and the Higher Education Academy (HEA) there was an explicit attempt to bring a private sector ethos to what was perceived as a bureaucratic and cumbersome public sector (Pierre, 2000). This process was accelerated by the Treasury-funded "Lambert Review of Business University Collaboration" (2003), which among other things encouraged the removal of academics from University Councils and their replacement with "business leaders."

With regard to funding, pressures for further industry engagement came indirectly, from the premium income associated with industry research or business education, and directly, from funding bodies such as the ESRC. Here, funding has increasingly been prioritized for projects in "business engagement," "capacity building" or "business knowledge transfer," which are explicitly aimed at driving research that matches the priorities of industry. Of special interest to funding bodies has been engagement with industries that are seen to enhance levels of competitiveness though knowledge creation and innovation, such as e-business, the creative industries, management consultancy, financial services, digital media, and marketing. Of these, the consulting industry is held up as the "best in show" of knowledge generation, innovation diffusion and networking.

The U.K. consulting industry, along with that of the United States and Germany, has been one of the great business success stories of the twentieth century. Emerging relatively recently for an influential profession, the growth of the industry gathered pace in the wake of the Second World War on the back of both economic growth and the import of U.S. expertise. In 1956, the U.K. consulting industry was comprised of roughly 800 consultants generating an income of £4 million (Tisdal, 1982). By 2008, this market was worth around £6.3 billion (Management Consultancy Association, 2009). From 1980 to 2000, the growth of the global economy

combined with large IT and outsourcing projects enabled growth rates of between 10-15% per annum. The industry success in economic terms was paralleled in its political ideology. The coup de grace of consulting, in the United Kingdom and the United States, was to tether itself inextricably with the thinking of the neoliberal governments of the 1990s, promoting an agenda of deregulation, privatization and reform, which guaranteed a decade of product innovation, industry growth and unprecedented profits (Craig, 2005). Thus, ironically, consultancy itself played a great part in creating the climate and conditions by which academics are now exhorted to seek greater engagement with the industry itself.

The success of the consulting industry is all the more palatable for government funding institutions as it epitomises for politicians and, subsequently, funding-bodies, the dominance of the new economy over the old. Above everything, consultancy represented the emergence of the knowledge economy—a highly skilled, flexible and innovative change to the manual, heavy and inconveniently unionized industries that characterized earlier decades. Cast as "innovation factories" (Hargadon & Sutton, 2000, p. 161), consultancies epitomized the type of work that academics, should engage with, if not aspire to emulate. Their generation and dissemination of '"management innovations" (Birkinshaw, Hamel, & Mol, 2008) are seen to provide a sustainable and significant improvement to the competitiveness of U.K. clients (Engwall & Kipping 2002; Haas, 2006; Suddaby & Greenwood, 2001).

On top of the natural curiosity any business school academic might feel toward an industry that has been so successful and influential, a number of other factors have encouraged an engagement with the consulting profession. First, as MBAs become more competitive and increasingly tied to the demands of the market, management consultancy, the number one career choice of MBAs, is now often featured as an elective or stream in many degrees. Second, a number of consultants and academics have sought to enhance their credibility or identity by stepping into the territory of the other. Many academics seek to supplement their income with external consultancy work, while many consultants seek to add credibility to their practice through association with a business school. Finally, in the United Kingdom, a number of funding opportunities have been made available to study the consulting industry, or, more generically, knowledge intensive industries. The authors of this chapter, for example, have won over £200,000 of funding in the last 2 years on different funded projects specifically for this purpose.

Given these various forces and mechanisms for engagement between consultants and academics, the chapter turns to exploring the success of these exhortations. The analysis examines the extent to which academic

research has *actually* been driven by the priorities of the consulting industry and how this has been achieved.

METHODOLOGY

The research project, funded by the ESRC, was intended to elicit and understand the challenges of the U.K. consultancy industry and examine the extent to which academia has responded to those challenges. In fact, we "go so far as" (Abrahamson & Eisenman, 2001, p. 71) involving potential consumers of management knowledge in helping to specify areas that would benefit from more scientific knowledge production and dissemination. The challenges were explored through three sources of information. First, two workshops supported by the Advanced Institute of Management (AIM) were run aimed at exploring current themes in the consulting industry (Antonacopoulou, Muzio, Geiger, Patnaik & Roohanifar, 2006a, 2006b). The first, attended by 26 participants, focused on opportunities and challenges in management consultancy. The second, with 21 attendees, honed in on the issues of professionalism, regulation and procurement. These workshops were attended by academics, professional body representatives and a range of representatives from small and large consultancies.

The second data source is a set of semistructured interviews with sixteen senior stakeholders in the consulting industry, including partners and directors at IBM, Accenture, KPMG, PA Consulting and PWC, each lasting for approximately an hour and focusing on their perceptions of the challenges facing the industry. The sample also included buyers of consultancy services in client organisations, the leaders of the two industry representative bodies, and the head of professional services at the Office of Government Commerce (OGC). These semistructured interviews aimed at eliciting a more detailed understanding of the challenges the industry faces. These data were combined with recent analyses undertaken by media sources (such as the *Financial Times*, *Accountancy Age* and *The Economist*) to support and develop the themes identified in earlier research. Finally, key stakeholders ($n = 29$) were invited to a third workshop to discuss, challenge and validate the emergent themes from the previous data gathering and analytic exercises. Discussions were facilitated by an academic or senior industry/policy making representative and captured by a rapporteur. Together with the previous workshops the project involved 75 discrete participants and contributors as several participants attended more than one event.

On the basis of this empirical work, five overarching "challenges" were identified as important to the Management consulting industry, which

were categorized as: strategic change; operations management; procurement; innovation management; and people management. Concurrently, a literature review was undertaken to assess the extent to which published research addressed each of these challenges and to understand the nature of any gaps in the literature. Within the scope of the project, the review was limited and by no means exhaustive. However, it covers most of the major journals, government reports and industry association publications since 2000. In addition, a keyword search of research from the Social Sciences Citation Index (in January 2008) was undertaken for publications from the period 2000-2008. As many search terms had high levels of ambiguity (for example "operations" can mean different things in the management, military and medical spheres) searches were only performed in "business," "management," "economics," and "operations management and management science" subject categories. This decision produced a high level of concurrence regarding the meaning of search terms.[1]

This methodology enabled a comparison of the priorities of the management consulting industry with the research produced by academics. It also enabled the authors to map out academics' preferred areas of research, if they were not directly addressing industry-espoused challenges.

Our methodology has two principal limitations. First, regarding the interviews with stakeholders, a total of seventy-five senior consultants, academics and industry association representatives were involved in identifying the priorities outlined in this chapter. The voices of less senior representatives of the industry (e.g., consultants rather than partners, managers rather than directors) may have elicited a different perspective on the industry—perhaps focused more on operational rather than strategic issues.

Second, time constraints limited our ability to perform a thorough systematic review of the literature. Systematic review proposes a rigorous methodology to reviewing the literature that explores a clearly specified question, which is usually derived from a policy or practice problem, using existing studies. To be considered systematic, such reviews are expected to conform to a set of principles as well as adopting specific methods to identify, select and critically appraise relevant primary research and extract and analyze data from the studies included in the review (Tranfield, Denyer, & Smart, 2003). Consequently, our search may have overlooked some studies with strong contributions to make. While an attempt to rectify this deficiency was made by looking at "left-over" articles, it should not prove surprising if some were missed. Additionally, while the identified themes were examined with reference to the consulting industry, analysis concerning the themes in alternative industries was

not prioritized. It is possible that opportunities for cross-sectoral learning exist, but this possibility was not the focus of our study. One recommendation for the future would be to examine which of these themes has not yet been adequately studied in a cross-industry context.

U.K. CONSULTANCY CHALLENGES

The challenges to the consulting industry identified in the workshops and interviews are categorized by the five groupings noted earlier: strategic change, operations management, procurement, innovation management and people management.

Strategic Change

The environment in which the consultancy sector operates has changed significantly in recent years, creating a number of challenges for the strategic thinking of consultancies. Interviewees identified four core issues that have affected their strategic thinking in 2008:

- *Competition*: Three of the Big Four[2] accounting firms have (re)built their consulting practices,[3] which has increased the competition for the advisory market and placed pressure on other consultancies. Concurrently, the big system integrators, such as IBM and EDS, as well as a number of niche consultancies are moving aggressively into the advisory space.
- *Consolidation*: Large consultancies are looking to mergers and acquisitions (M&A) to boost their talent in the advisory sector. Since 2003, the volume of M&A activity in the sector has tripled (Equiteq, 2007) and 2008 saw more M&A activity than ever before, with four firms a week being bought and merged.[4] For smaller firms, being acquired by a larger organisation offers lucrative rewards for partners and shareholders. Interestingly, 2008 was the first time that Private Equity firms outstripped other consultancies as the biggest buyer of small firms.
- *Globalization*: While emerging economies have long been used for outsourcing and information technology development by consultancies, they are increasingly providing a threat for upstream advisory services. IBM, for example, now has 25% of its workforce based in India, while Accenture has over 50% of its workforce in Asia. Although lacking the intellectual longevity demonstrated by U.K. and U.S. consultancies, BRIC (Brazil, Russia, India, and China)

countries[5] are increasingly developing low-cost centers of excellence in advisory services.

- *Recession*: 2009 was the first year for decades where consulting revenues actually fell. The economic downturn has meant lower fees as consultancy services are one of the optional extras firms cut down on in a recession. As the lackluster growth in public sector spending indicated in 2006-07, the boom times appear to be over as far as government is concerned. With margins, and income per consultant, already heading downwards, the industry seems in for a tougher ride in the next 12 months.

Operations Management

External pressures from clients have also changed the style and character of consulting operations. Interviewees articulated several concerns that were creating change in the industry:

- *Client Sophistication*: Globalization has made many projects larger, more complex and much more expensive. With more at stake, clients have become more sophisticated in their dealing with consultants, often employing ex-consultants to run internal consulting teams or manage the procurement of consultancy services. One effect of this trend has been a reduction in operating margins (e.g., income per consultant).
- *Value*: For similar reasons, consultancies are also under pressure to demonstrate and quantify the value they add to an organization. However, given the complexity of some projects, many consultants interviewed found this to be a challenge, less so in the information technology and finance areas but especially the case in "people" change projects.
- *Implementation*: As projects have become bigger, clients have become more risk-adverse, favoring incremental to radical change. Since 2000, this trend has "all but eliminated" the market for blue-sky "visionary" consulting traditionally undertaken by high-end practices such as McKinsey or Booze Allen Hamilton. Where strategic work is undertaken, clients are insisting that it is closely linked to frameworks for implementation, thus inclining projects toward practical incremental change rather than radical visionary ideas.
- *Payment Models*: In seeking to shift the responsibility for risk from themselves onto consultants, many clients, especially in the private sector, are seeking to utilize incentivized payment systems where

the consultancy is rewarded for good and punished for bad performance. Although many consultancies welcome the chance to link performance and reward, there is concern that, in some circumstances, this compensation scheme can result in clients downplaying the achievements of the consultancies they work with.

Procurement

Another way in which clients have sought to minimize expenditures on consultancies is to develop their own procurement services. Prompted by pressure from the National Audit Office (NAO) and the Public Accounts Committee (PAC) to maximize value for money when contracting consultants, the public sector and the Office of Government Commerce (OGC) have taken a lead in establishing procurement controls for advisory services—a lead that has been followed by in the private sector. All interviewees agreed that these developments have had a significant impact on their work, though it is thought to impact large projects more than niche advisory companies:[6]

- *Communication*: Many believed that the development of procurement functions has placed an intermediary between themselves and the end business user. This raises the question of how the relationship between the consultant and the business user has changed in terms of the project needs being successfully communicated to all parties.
- *Politics*: The trend in communication also means that many of the personal relationships between consultancies and business users that characterized earlier deals are not as useful as they once were. Some consultancies are, therefore, looking for ways of "staying in" the client (i.e., avoiding going through procurement for repeat business). This raises a challenge for consultancies in ensuring they keep within procurement rules and client in ensuring they get the best people for the job.
- *Education*: Some consultants suggested that the emphasis on cost leads some procurers to opt for cheaper options (e.g., contractors) without realizing the "added-value" that they were missing by not using consultancies. There was, some felt, a need to educate procurers about the different forms of consultancy relationship and what each could offer.
- *Standards*: Consultancies, procurers and clients emphasized the need for clear and open communication between stakeholders at an

institutional level to ensure that best practice is maintained and understood by all individuals involved. There are a number of mechanisms in place to ensure this happens, but the process of disseminating knowledge is complex and uneven.

People Management

Due to the recent boom in the consulting industry and changes in the employment market, recruitment and retention often top surveys where industry leaders are asked to outline their concerns about the consulting market. However, concerns raised by stakeholders went beyond simple supply and demand:

- *Work-Life Balance*: As the industry has got more competitive, hours have gotten longer and consultants are under more pressure. Many of them, seeking better job / life balance leave the industry: some to set up their own consultancies, some to work for clients and some simply to work in less stressful jobs. New recruits were reported as being less likely to put up with unpleasant placements and were more likely to leave if they did not feel at home in a consultancy.
- *Pay:* As margins have been reduced in the consulting industry, companies have found that pay in other sectors is much more attractive to talent than it was 10 years ago. The finance sector is capable of paying around 20% more for talented individuals and some clients are now happy to pay a premium to recruit ex-consultants if it will reduce their procurement costs.
- *Engaging Educators*: Some stakeholders bemoaned the lack of science, technology, engineering, and mathematics (STEM) graduates in the United Kingdom, which meant they increasingly had to look overseas for suitable recruits. Some wondered if different ways of engaging with current students might develop realistic expectations and suitable competences among potential recruits.
- *Culture*: There were also some internal issues regarding people management in consultancies. These concerns included: fostering cooperation rather than competition among ambitious employees; balancing the lag between industry boom and recruitment (which can result in capacity issues); and managing the culture change for employees who transfer to consulting from other industries. Others were concerned that transnational consultants might have difficulty crossing cultural barriers.

- *Reputation*: The media has always been keen to publicize reported "failures" of consultancy projects, especially in the public sector. Recent books titles have exploited this hype presenting consultants as unethical, profligate and expensive. Some stakeholders feared that this type of coverage not only impacted clients but also diminished the number of potential recruits for the industry.

Innovation Management

Innovation plays a central part in the value that consultancies add to clients and the economy generally. Many of the major business concepts, methods and theories have been developed by leading management consultancies and passed, through their consultants, into the wider economy. However, several challenges were posed by stakeholders regarding innovation in the current climate:

- *The Next Big Thing*: Several senior consultants noted the lack of a new 'Big Idea' in consulting. Concepts such as TQM, BPR, eBusiness and outsourcing were large, global ideas that made the industry billions and resulted in improved performance of the economy. However, since 2000, some feel the industry has been scratching around for the next 'big thing' with little success.
- *Client Satisfaction*: In their survey of the industry, the Management Consultancy Association (2007, 2009) recently noted that clients were unimpressed with their consultants' ability to think creatively with only 59% satisfied or very satisfied. More than one partner agreed, pointing out that clients often felt they were not getting much in terms of new ideas from the consultancies they brought on board.
- *Risk*: Some interviewees felt that this lack of innovation was a result of client attitude toward risk. They believed that in these risk-adverse times, clients were less likely to undertake big adventurous projects or try overly creative (and untested) methods.
- *Fostering Innovation*: Many of the consultants we interviewed found it hard to articulate a consistent source for their own creativity. Although several cited large 'knowledge databases' in their organisations, they felt that this was rarely the source for the creativity that was needed when dealing with clients. One partner suggested that joint research between consultancies and academia might seek out new big ideas that were on the horizon.

THE LIMITS AND OPPORTUNITIES OF ENGAGEMENT

Table 12.1 presents a summary of a keyword search of research from the Social Sciences Citation Index (in January 2008) for publications for the period 2000-2008. It is noteworthy that while a search for the challenges returned over 9,170 articles in business / management journals, only 23 of these are also concerned with management consultancy.

As Table 12.1 indicates (as of January 2008), on the basis of the evidence of our search academics appeared *not* to be engaging (in any significant numbers) with the challenges articulated by the consulting industries. Despite the changes to governance structures, funding streams and teaching priorities, academic researchers have not yet engaged significantly with the challenges of strategy, operations, procurement, innovation or people management in the consultancy industry.

**Table 12.1.   Published Literature by Theme (2000-2008):
Social Science Citation Index, January 2008**

Theme	Theme Alone	Management: Search Term "Manag*"	Consulting: Search Term: "Consult*"	Management Consulting: Search: "Management Consult*"
Strategic change: Search term: "Strateg*"	4,590	570	8	2
Operations management: Search term: "Operational" or "Operations"	641	165	11	0
Procurement: Search term: "Procur*"	158	8	1	0
Innovation: Search term: "Innovat*"	2,778	393	8	2 (+9)a
People management Search term: "Recruit*" "Talent"	206	12	1	0 (+3)[a]
Total	9,170	49	20	3 (+12)

Notes: 1. Search terms as per column and row heads. *Denotes a truncation to permit search for singular, plural or other variants of a word. 2. Searches only performed in business, management, economics, sociology, and operations management and management science subject categories. 3. [a]Denotes articles which were similar to the relevant theme but were not returned by a keyword search. In the case of "innovation" the additional nine articles were concerned with knowledge management. In the case of peoplemanagement, the additional three articles were concerned with skill development.

Table 12.2.   Analysis of Remaining Consultancy Articles

Theme	Details	Number of Articles
Sector analyses	Overview or history of consultancy sector	15
Practitioner guidance	"How-to" guides for consultants	11
Identity, rhetoric, and control	Identity regulation of consultants through ideological controls and discourse	13
Professionalization	If consultants should professionalize	4
Case studies	Descriptive overviews of consulting	4
Irrelevant articles	Concerned with medical consultation	40

It is interesting to note, however, that when entered as a "stand-alone" search term, "management consultancy" (excluding the themes of strategy, procurement, innovation and so forth) returned 100 journal articles. The question which then poses itself is—if these articles are not focused on the priorities that consultants themselves express, what are they concerned with? An overview follows in Table 12.2.

Although academic researchers have not overly concerned themselves with the challenges of the consulting industry—at least as expressed by the industry representatives in the present study—these studies are nevertheless important and relevant, not simply to the long-term interests of consultants but also their clients and the socio-political environment they influence. The themes of this research, which are identified in Table 12.2, will be briefly examined below, illustrating their importance to the consulting industry and its stakeholders.

Sector Analyses

These studies are generally descriptive pieces that give an overview of the development of the consultancy sector in its socioeconomic environment. Many of these illustrate both the legislative, ideological and social waves that have enabled the growth of the consulting industry and the political, rhetorical and economic mechanisms by which they have achieved such a considerable impact in such a short space of time (McKenna, 2006). These studies are important because they point to findings that are important to both consultancies, policymakers and clients, such as the dangers inherent in combining audit and consultancy functions (Craig, 2005), the association of consultancy and western imperialism (Wright & Kwon, 2006) and the importance of structural and

institutional change in sustaining consulting growth (Kipping & Kirkpat-rick, 2007). Adams and Zanzi (2005), for example, highlight the increasing risk and pressure associated with the continuing financialization of the consulting sector and the impact this can have as consultancies move away from the partnership model (Epstein, 2005).

Practitioner Guidance/Case Studies

Although practitioners know themselves to be entirely capable of generating marketable products and exemplar cases for the consumption of clients, the pressure to maximize sales by presenting a favorable picture can often detract from deeper reflection and deliberation on alternative interpretations. Many cases, especially those developed for students and professional bodies, emphasize ethics and how these translate into practice (Collins, 2004; Van Es, 2002). In addition, many academic papers provide credibility and a more robust theoretical back-drop to consultancy products. Many highly profitable consultancy products such as total quality management and business process reengineering were developed in conjunction with business school academics.

Rhetoric, Control, and Identity

Many academic studies examine how the identities of both consultants and clients are "constructed" through the ideological controls and discourses that consultancies both construct and reproduce in their social interactions. The work in this area is varied, but includes a focus on stress and alienation in consulting work (Costas & Fleming, 2009; Handley, Clark, Fincham, & Sturdy, 2007; O'Mahoney, 2007; Whittle, 2005), which may help consultancies understand and improve the poor retention rates that they currently experience. Other work has shown how the construction of "expert'" and "elite" identities help provide succour to insecure managers faced with operational and personal uncertainty and ambiguity (Alvesson & Robertson, 2006; Robertson & Swan, 2003; Whittle, 2006), while others have demonstrated the importance of consulting rhetoric fitting with social discourses in achieving sustainable success in selling management innovations (Case, 1999; Clark & Salaman, 1998).

Professionalization

The professionalization of the consultancy industry is something that few large consultancies are interested in as it would lead to an external body accrediting their consultants and, they argue, a commoditization of consultancy work (O'Mahoney, Adams, Antonacopoulou, & Neely, 2008).

However, research has indicated that there may be benefits for other stakeholders such as clients, procurement functions, employees and the wider society (McKenna, 2006; Muzio, Kipping, & Kirkpatrick, 2006). These articles have argued that a professional ethos incorporating best-practice, a code of ethics and a codified body of knowledge would help mitigate some of the risks as consultancy projects have grown and potential conflicts of interests have arisen (Berit & Kieser, 2002; Glucker & Armbruster, 2003).

Although it has only been possible to provide short summaries of some of the work academics have undertaken that falls outside the scope of "responding to industry challenges," they do, nonetheless, offer an indication that much of this work, while not perhaps satisfying the strategic immediate concerns of the industry, provides a deeper, longer-term consideration of the wider impact of consulting in many important areas. There are, of course other concerns that may merit consideration that we have been unable to include in this brief review.

SUMMARY

This chapter has detailed the business challenges espoused by senior stakeholders in the U.K. consulting industry. Our findings show that despite the rhetoric of business engagement, relatively few academic research papers directly address the challenges that the industry believes it is facing. Abrahamson and Eisenman (2001) argued for management scholars to (1) become more aware of and concerned with current developments in business so as not to lag behind the incidence of phenomena about which they are producing management knowledge and (2) focus on problems with a greater concern for the real issues that management knowledge consumers face or will face in the future. Consequently, an important contribution of this study is in providing a timely indication of managers' concerns in the management consulting industry.

However, we also argue that the identified gap between knowledge-need and knowledge-provision should not necessarily be taken as a sign of failure. Issues such as identity, stress, risk, control and professional standards, whilste not immediately addressing the contemporary challenges identified during our empirical work, are central to the long-term survival of the industry, the well-being of its employees, the credibility of the industry's reputation, and its impact on the social and economic welfare of both clients and wider society.

The analysis also provides an empirical illustration of the segmentation of academic activity envisaged in Ivory et al.'s (2006) recent consideration of the relevance and value of business schools. They proposed four modes

of knowledge production: a social science approach, which focuses on contribution to knowledge; a liberal arts agenda that relates to the fundamentals of knowledge; the professional school whose primary focus is the improvement of management practice; and the business school as an actor in the knowledge economy, where the focus is on the development of management knowledge and the commercialization of scientific and technological discoveries. That small number of academics directly addressing the consulting industry's contemporary challenges arguably coheres to the professional school/knowledge economy profile while others emphasize the social science model and liberal arts agenda. Each has an important role to play and, by attempting to examine the complexities of the social embeddedness of consultancy, academic research can help highlight some important issues which consultancies, regulators and clients may miss if they focus solely on short-term horizons.

In short, although this chapter accepts that the economic imperatives of industry should be one guide in setting research agendas for the academy, research has a wider responsibility than simply to answer to industry demands. As well as academics asking themselves how they can better engage with the priorities of industry, so too should industry, or at least government funding bodies, be asking themselves how they can better engage and take account of the whole range of academic work in this area.

ACKNOWLEDGMENTS

NOTES

1. By "concurrence" we mean the extent to which writers understood each term to mean the same thing (e.g., most analyses mean the same thing when they use the term "professionalization").
2. Deloitte did not divest its consultancy practice.

3. Some consultancies have termed this "business advisory services" but they appear indistinguishable from management consulting.
4. This list includes Impact Plus, ItemPlus, Hornagold & Hills, Advantage Business Group, Mantix, Orbys Consulting, and The Rossmore Group.
5. BRIC is an acronym that refers to the fast-growing developing economies of Brazil, Russia, India, and China.
6. It is important to note that these points are raised by consultancies. There would be a number of different interpretations from procurers, clients and government institutions, which are outside the scope of this report. Many consultants are inclined to hold negative views on procurement processes because inter alia procurers are adept at negotiating discounts.

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