

**Title**

Developing Criteria for Effectiveness of Consultant's Work

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**Authors**

prof.dr. Léon de Caluwé  
Centre for Research in Consultancy (CRC)  
Faculteit der Economische Wetenschappen en Bedrijfskunde  
Vrije Universiteit  
De Boelelaan 1105  
1081 HV Amsterdam  
The Netherlands  
Telephone +(31)-33-4677261  
Mobile +(31)-6-51350905  
E-mail: [LCA@TG.NL](mailto:LCA@TG.NL)

drs. Annemieke Stoppelenburg  
Bacchus 18  
3962 LM Wijk bij Duurstede  
The Netherlands  
Telephone +(31)-343-577666  
Mobile +(31)-6-51568776  
E-mail: [AST@knoware.nl](mailto:AST@knoware.nl)

**Abstract**

There is much discussion about the quality of management consultancy. In this paper we developed criteria for effectiveness of consultancy assignments using both the perspectives of clients (principals) and consultants. Especially the view of clients gets much attention. We assessed the effectiveness of a random sample of 56 consultancy assignments by interviewing the principals, the consultants and other persons involved in those assignments. The list of 19 effectiveness criteria proves to be very useful for assessing the quality of the assignments.

**Key words**

effectiveness, consultancy, quality, client perspective.

# Developing Criteria for Effectiveness of Consultant's Work

## 1. Introduction

Although there is much discussion and judging about the (poor) quality of management consultancy, there is little evidence and research available about this quality issue. In 2002 we got the opportunity to do an unique research project about the quality of management consultancy at the Central Government in the Netherlands. We found that the quality is judged as sufficient, but also that much can be improved. In this paper we give an overview of the criteria we developed for effectiveness of consultancy assignments using both the perspectives of clients (principals) and consultants. Especially the view of clients gets much attention.

The initiative for the research project was taken by both the clients/principals of consultancy as consultants themselves. Both had the wish to gain insight into the facts and the realities of management consultancy. In meetings between the Council of Secretary Generals of the thirteen Departments in the Netherlands and the larger management consultancy firms that regularly carry out assignments for the Central Government, the idea was born to do scientific research on the quality of management consultancy. The reasons for this decision came out of the frequent publications in the press, media and public about the poor quality of management consultancy, the high expenditures for consultancy and the volume of assignments given to consultants. Articles and stories were rather negative in tone and there are doubts about the quality. The study made data available that are unique. We do not know a similar research study (also not in other countries) that has this kind of robust data.

In the study four research questions are answered:

1. Map the types of work that are done in management consultancy. Gather definitions from the literature and find empirical data about types of consultancy work.
2. What are the possible criteria about the quality and effectiveness of management consultancy? Search the literature for possible criteria. Use these criteria to assess the expectations and evaluations from the side of principals/clients and of consultants? What kind of criteria do they use? Can these criteria be used to assess consultancy work?
3. What is the outcome and result of management consultancy work? Not only in terms of satisfaction, but also in terms of professional standards. What did the client organization learn? What was the impact on the client organization? What are the results in the long term?
4. How can these definitions of types of work and effectiveness criteria be used to improve the quality of the consultancy work?

In this paper we will mainly focus on the research questions concerning the effectiveness of consultant's work. We will present useful criteria for effectiveness and discuss the output of the research. Finally we will elaborate on the possible follow-up concerning the research on improving quality and effectiveness.

## 2. Theory

For this study three theoretical models are used. They are about the phasing of consultancy assignments (2.1), types of work done by consultants (2.2) and types and levels of effectiveness of consultancy work (2.3).

### *2.1 Phases in consultancy work*

The model that we use is derived from Kubr (1996) and Block (1999). Kubr distinguishes five

phases in consultancy assignments. The entry phase, in which contact is made and contracts are negotiated between the client (system) and the consultant. This phase results in an assignment/contract or not. The next phase is the diagnostic phase, in which the problem is explored, data are gathered, and a common definition of the problem develops. In the next phase solutions are developed, alternatives are considered and a decision is made about one approach/solution. The fourth phase is implementation; in this phase the involvement of the consultant can vary: not involved to high committed. The fifth phase is the end: evaluation, follow-up and/or report. Block has similar phases: he distinguishes: (1) entry and contracting (2) data collection and diagnosis (3) feedback and decision to act (4) implementation and (5) extension, recycle or termination.

We use these phases for the descriptions of the assignments. What happened in each assignment in the five phases, for example:

Phase 1: What is the question of the principal? What is the final stated problem in the proposal? How and how frequently has there been communication about the problem/question?

Phase 2: How are the data gathered? Who did this? How are the data fed back? Is it on paper? Who are involved?

It is possible that one phase is not executed in the assignment. That is only possible for phase 2 (diagnosis) or 4 (implementation). In such cases the phases are not described. The other phases are always present.

## *2.2 Types of work of consultants*

Categorising the work of consultants can best be done by distinguishing essential dimensions. We found the following dimensions:

- a. the extent of directive or non-directive behaviour of the consultant. Kubr (1996) makes a distinction in eight different activities and roles of consultants, varying from: asking questions for reflection (extremely non-directive) to: proposing directives or convincing (extremely directive).
- b. extent to which an explicit method is followed. Are there certain steps or phases? Are these defined in advance? Or is a method absent?
- c. nature and intensity of co-operation between the consultant and the client (system). Who does the work? In what proportions? What does the consultant do? What does the client?
- d. what is an estimate of time in an assignment of client and consultants in terms of: talking, thinking, analysing, writing, interviewing, reading, information gathering?
- e. Kubr lists ten ways of doing consultancy. Which one is applicable and to what extent?: providing information; providing specialist resources; establishing business contacts and linkages; providing expert opinion; doing diagnostic work; developing action proposals; improving systems and methods; planning and managing Organizational changes; training and developing management and staff; providing personal counselling. Similar lists of activities of consultants are developed by Quinn (1988), Cummings and Worley (1993) and Doppler and Lauterburg (1996).

As stated earlier, this research wants to get more insight in the types of work of consultants in an empirical approach. A typology in advance is thus relative and not so important. We want to define empirically, whether these dimensions are the essential ones and whether we can find empirical support and data for this.

### 2.3 Effectiveness of consultants

We only found four publications that helped us to define criteria for effectiveness of consultancy. One citation is about levels of effectiveness, one about the dimensions of client success and two are about types of effectiveness.

Phillips (2000) distinguishes six performance indicators for consultants. He distinguishes them in levels.

Table 1. Performance indicators for consultants (Phillips, 2000)

Type of data	Description
Satisfaction/ reaction	Measures the satisfaction/reaction directly involved in the consulting intervention
Learning	Measures the actual learning taking place for those individuals who must implement or support the process
Implementation/application	Measures the success of implementation and the utilisation of the consulting intervention solution
Business impact	Measures the change in the business impact measures directly related to the consulting intervention
ROI	Measures the actual cost versus benefits of the consulting intervention
Intangible benefits	Measures important intangible benefits not utilised in the benefit-cost formula (knowledge base, job satisfaction, work climate, co-operation, customer complaints, decisiveness etc.)

This classification of levels is very useful. It is possible to gather data and opinions on each level. Each level gives a dimension to the concept of effectiveness. The levels “Business impact” and “ROI” seem to be a little less applicable for a government environment. Nevertheless we assume that questions like: “What did it mean for your organization and for the work that you do?” and “Can you make a cost/benefit analysis?” make sense in the light of effectiveness of consultancy work.

Another useful distinction is that of types of effectiveness. Quinn and Rohrbaugh (1983) found clusters of effectiveness criteria empirically. They asked managers to compare criteria (like e.g. morale, productivity, control, growth) and to cluster similar criteria. They started in locating the effectiveness criteria in a three dimensional model. The three dimensions are: internal vs external focus, flexibility versus control in a structure continuum and the degree of closeness to desired organization outcomes or a means-ends continuum. This results in four distinct clusters: the adaptive function, the pattern-maintenance and tension management function, the integrative function and the goal attainment function. The model helps to make the values in the effectiveness construct explicit. The four clusters are similar to three clusters from the so called colour model (Caluwé en Vermaak, 2003). These criteria for effectiveness relate to effectiveness of organizations (Quinn and Rohrbaugh), effectiveness of change processes (Caluwé en Vermaak), but can be applied easily to effectiveness of consultancy processes.

We also used success and effectiveness criteria which were found in a study by Gable (1996). Gable constructed a measurement model for assessing client success when engaging an external consultant. He distinguishes three main areas of assessment, namely 1. the consultant's recommendations 2. the client learning and understanding and 3. the consultants performance. He developed six assessment measures: recommendation acceptance, recommendations satis-

faction, understanding improvement, understanding satisfaction, performance reasonability and performance satisfaction.

We used these insights to define the list of 19 possible effectiveness criteria (see table 3).

We asked principals/clients and consultants questions like: “Which criteria do I find important?”, “Which criteria are applicable on this assignment and which are not?” and “To what extent has the assignment met the criteria?”.

In this way we can map, how principals and consultants view the consultancy work, what kind of work has what kind of criteria and how the assignment scores on the criteria that apply.

### **3. Design and research method**

An important consideration in this study is the question of representativity. We want a random sample in order to be able to make generalizing statements. The central question was to define the total sample and to define what management consultancy is.

We limit our research to a part of what is called consultancy. We exclude specialist advice, like fiscal advice or advice on building. Work that has been sourced out, like searches, interim management or training has also been excluded.

The research focuses on management consultancy:

- where questions of management, organization, change, implementation are central
- where a final decision has not been made by the client/principal about the solution at the start
- where the consultant contributes to the solution as well as to the process. Expert advice is included in this definition, because the decision is not there at the start.

Other important considerations in the design of the research are:

- A client centred research approach; we suppose that the receiver of the advice has less stake in giving a value judgement. Therefore the client can provide us with relevant data about the degree of satisfaction and the impact of the consultant's work. Researching solely through consultants could provide data that are more subjective.
- Post mortem evaluation; we study assignments that are finalized in 1999 or 2000, to be able to reconstruct all the phases in the assignment.
- Study the original files to gain insight in the course of the assignment and remark relevant events. Not just depend upon opinions of persons involved and their reconstructed logic's and histories.
- Execute interviews, to collect data on the effects of the assignments and to ask principals/clients about the different aspects of effectiveness
- Guarantee anonymity, to make sure all parties involved could participate in an objective and unbiased manner
- Depth and width of the study: To answer the research questions we needed to study the assignments closely, but not in every detail. We made descriptions of all the assignments and completed it with interview data on aspects of effectiveness. For each assignment we interviewed the principal, the consultants and a person from the client organization involved in the assignment. Regarding the scope of the study we chose a sample of 56 assignments. All 13 Ministries are included. The so called outside-organizations, like agencies, independent organizations are excluded.

Every Ministry made a list of assignments over the years 1999-2000. There were great differences in length and quality of the lists. From these list we drew a random sample of five assignments per Ministry. For these assignments we asked for the files. After studying such a file, it was possible that this assignment did not meet the definition. In those cases we asked additional files (random). Each file was summarized according to a checklist. In the files we could find the names and addresses of both the principal, the consultant and others involved.

These persons were interviewed. An interview consisted of three parts:

- validation of the file; Is what we described in the summary correct? Are there other facts, insights?
- a pre structured interview about the three clusters of criteria (see table 3)
- a half open-ended interview to gather specific and more qualitative data (see table 2).

Table 2. Questions for interviews

<b>Questions for interviews</b>	
Satisfaction	<p>A. Entry and contracting Are more firms invited? Why did you ask this firm/consultant?</p> <p>B. Diagnosis and analysis Was there insight to the specific nature of this organization? What was the quality of the diagnosis and the analysis of the problem?</p> <p>C. Feedback Were the conclusions supported by facts/opinions? Was the feedback or report good?</p> <p>D. Implementation Is the analysis/diagnosis translated to realisable conclusions and recommendations? Were the consultants capable of implementing the changes that they recommended?</p> <p>E. Termination Has been delivered what was agreed? Would you do it again?</p> <p>F. Role What was the role of the consultant? Was this role adequate?</p>
Learning effects	<p>Are there learning effects as a result of this assignment? If yes, what kind of learning effects? Were these aimed at?</p>
Effects with regard to implementation	<p>Have there been effects in implementation of the proposals/recommendations? If yes, which? Were these aimed at?</p>
Impact on the organization	<p>Has this assignment had impact on the organization? If yes, what kind of changes have been achieved? Are there short term and long term effects?</p>
Cost/Benefit	<p>What did this assignment mean to you for the organization and the work? Can you say something about cost/benefit?</p>
Other effects	<p>Are there any other effects?</p>

*Defining consultant's work.* Not all of the work that is registered in the Ministries as consultant's work, actually is. For some people, the label consultancy matches all rendered business services, others include all the work that is outsourced, and again others say it is all the work that outsiders do. For this reason we thought it was necessary to define our object of research. We wanted to study the 'real' consultant's work. That is why we came up with the definition as stated earlier in this paragraph.

*Measuring the quality.* If you ask principals about the quality of consultant's work, then you can expect astonishing answers. One can say: "the consultants did exactly what I asked them to do and I am not satisfied with that, because I had expected more of their own input." The other principal can say: "The consultants put in too much of their own ideas and I don't find that is acceptable". We use these lines to refer to the fact that quality only can be measured through the (very subjective) expectations of the principal/client. What one thinks of as important, can be very different or even the opposite for another client.

Besides that, we can distinguish different types of quality. Where one client is more focused on the content and the results of the consultant's work, another one focuses more on costs and the time path, again another client can be sensitive to the process: e.g. do the consultants keep me posted.

Finally we can deal with the in-depth effects. A principal can say: "the report doesn't deserve a high report mark, but in terms of interaction and process the consultants facilitated us very well" or "Along the way we have learned to take a different outlook on this problem and that is the most important value added by the consultants."

We decided to integrate these three aspects of quality into the study. That is why we, partly based on relevant theory and partly from our own knowledge, developed 19 criteria for effectiveness in three clusters: formal criteria, content criteria and process criteria.

Table 3. Effectiveness criteria

	<b>Formal criteria</b>
<b>A1</b>	Have the objectives been achieved?
<b>A2</b>	Has a solution been found for the problem?
<b>A3</b>	Has the consultant brought in his expertise?
<b>A4</b>	Have the tasks, set in advance, been carried out?
<b>A5</b>	Did the client system participate in the assignment?
<b>A6</b>	Have the required sources and means been used?
<b>A7</b>	Has a given time path been followed?
<b>A8</b>	Has a given budget frame been followed?
	<b>Content criteria</b>
<b>B1</b>	Has the client system learned?
<b>B2</b>	Did the client system come closer to a decision point? Did the interests come closer together?
<b>B3</b>	Has the co-operation/atmosphere/we-feeling been improved? Is there better communication?
<b>B4</b>	Did the client system work more efficiently, more effectively, more planned?
<b>B5</b>	Has the client system more movement, energy, creativity, out-of-the-box thinking?
	<b>Process criteria</b>
<b>C1</b>	Has a specific method been used?
<b>C2</b>	Is the approach developed while working?
<b>C3</b>	Were the principal and the consultant equivalent?
<b>C4</b>	Did the consultant give concrete directives about what has to be done?
<b>C5</b>	Did the client system and the consultant communicate frequently?
<b>C6</b>	Were the client system and the consultant involved in the assignment?

## 4. Results and discussion

### 4.1 Overview of the most important findings

#### 4.1.1. Overview of the study in key figures

To collect the data, we studied 138 files. The 56 assignments that finally became part of this study came from these 138 files. These 56 assignments suited our definition of consultant's work.

Furthermore the researchers held 161 interviews: 54 interviews with clients (principals), 54 interviews with consultants and 53 interviews with others involved.

The division of assignments by the size of the consulting firm is as follows:

Table 4. Size firm and number of assignments

Size firm	Number of assignments	%
One man business/ "One man band"	5	9%
Small firm (< 10 consultants)	13	23%
Medium sized firm (10-100 consultants)	7	13%
Big firm (>100 consultants)	30	54%
Other	1	1%

The range of assignments regarding the amount of days, is enormous (between 1 day and 500 days per assignment). The average number of days per assignment comes to 55 days.

The duration of the studied assignments varies from 1 week up to 15 months. The average duration is 4,3 months.

Of the 56 assignments in the study, 24 assignments were set out in competition. In total 32 assignments were not in competition, for the following reasons:

- q The assignment is a follow up of a previous assignment
- q It concerns the extension of an on going assignment
- q The assignment is given from within a frame-contract
- q Time pressure makes immediate contracting necessary
- q There are good experiences with this consultant in other, similar assignments
- q The consultants possesses the specific qualities needed for this assignment

The budgets range from € 1.021,- till € 635.292,-; the average budget is € 2.930,-. Most of the assignments were set out in competition.

#### 4.1.2 Research question regarding types of work

We made descriptions of all the assignments. We asked five experts to read these descriptions and to make categories of types of work. They found common categories and were able to sort out each assignment to a category with a high interjudge-reliability. We found four relevant categories.

Table 5. Types of work and number of assignments

Category	Number	Percentage
1. expert consultancy	14	25%
2. evaluation/second opinion	7	13%
3. expert advice with process steps	13	23%



4. facilitation	14	25%
5. others/hybrid	8	14%

#### 4.1.3 Research question regarding expectations

In this section we will answer the question what principals/clients, others involved and consultants expect: what are the criteria they use? We have studied this by posing all interviewed persons the question, which of the 19 criteria (see table 3) they think are relevant to management consultancy in general. In table 6 we summarize for the total for all roles (principal, consultant, involved persons). In order of importance the criteria can be arranged as followed:

Table 6. Order of importance of effectiveness criteria (in general)

Rank	Criterion
1	objectives achieved
2	involvement in assignment
3	frequent communication
4	solution found
5	expertise of consultant
6	closer to decision point
7	learning by the client system
8	participation by the client system
9	energy, creativity, out-of-the-box-
10	thinking
11	budget frame followed
12	time frame followed
13	cooperation improved
14	approach developed while working
15	concrete directives
16	equivalence of principal and consultant
17	working more efficiently
18	task, set in advance, carried out
19	required sources and means used specific method used

From the overview it appears that the four criteria with the highest score, are criteria that have to do with the result of the consultancy process (goals and solution) and with the relationship between principal and consultant (involvement and frequent communication). The lowest three criteria all concern the working method applied in the consultancy process (task, sources and means, and method).

In general there are no differences between principals and others involved in the degree in which they think criteria are important. Between principals and consultants this is also the case. Regarding the criteria on finding a solution (A2), participation of the client (A5) and the commitment (C6) and all the Content criteria (B criteria, also see table 2), the differences are significant: consultants think these criteria are more important as compared with the principals.

Besides the question of what expectation one has in general, we also studied the relevance of the criteria regarding “this specific case or assignment”.

For all criteria regarding “this specific assignment” the means are lower than they are with the general expectations (14 out of 19), four times the same, one time higher. The differences between general expectations and “this assignment” are very great regarding all content criteria

(B1 up to and including B5). And especially on the part of consultants. They think the content criteria are less important in this assignment than in general. If we take a closer look at the differences between principals and consultants, they are much smaller regarding “this assignment” than they were with the expectations in general. They are also no longer significant.

If one looks at “this specific assignment”, than the relevance of the criteria gets lower on the average. The consultants change their opinion more than the principals. Principals are more realistic than consultants, when the general expectations and the expectations for “this specific assignment” are concerned. Principals and consultants correspond with the specific case (no significant differences) more than with the general expectations.

The criteria one thinks of as important in general and the important criteria referring to a specific case, correspond.

The correlation between the scores of the answers with general and this case are significant: we found 51 significant correlations out of 57 possible correlations.

#### 4.1.4 Research question regarding the outcome and results

For those criteria, which are, according to the interviewed persons relevant or highly relevant, we asked a report mark. Also we asked for a total mark for the assignment as a whole. A one (1) equals very bad, a ten (10) equals excellent.

The average mark total mark a client gives to the assignments is 6,8 (standard deviation 1.6). The involved persons also give a 6,8 (standard deviation 1.1). The consultants award a 7,6 (standard deviation 1.0). The average over the three roles is 7,1 (standard deviation 1.3).

The consultants are (0,8) more positive in their judgements about the assignment than the principals.

The subsequent table shows the marks for all criteria, and for client, consultants and involved persons.

Table 7. Marks per effectiveness criterion per role

	<b>Criterion</b>	<b>Client</b>	<b>Involved person</b>	<b>Consultant</b>	<b>Total</b>
<b>Formal Criteria</b>	A1: Objectives achieved	6.8	6.8	7.3	7.0
	A2: Solution found	6.9	6.4	7.1	6.9
	A3: Expertise brought in	6.7	6.6	7.8	7.0
	A4: Tasks set in advance	6.8	7.0	7.6	7.1
	A5: Participation of client system	7.2	6.9	7.4	7.2
	A6: Required sources and means	7.2	6.3	7.6	7.1
	A7: Time path	6.7	7.0	7.5	7.1
	A8: Budget	7.5	7.3	7.9	7.6
<b>Content Criteria</b>	B1: Client system learned	6.7	6.3	6.8	6.6
	B2: Closer to decision point	6.8	6.6	7.5	7.0
	B3: Better co-operation	6.5	6.5	7.0	6.7

	B4: Work more efficiently	6.5	6.7	6.9	6.7
	B5: Out of the box-thinking etc.	6.7	6.7	7.1	6.9
<b>Process Criteria</b>	C1: Specific method	6.6	6.5	7.9	7.0
	C2: Approach developed while working	7.2	7.1	7.6	7.3
	C3: Equivalence consultant/client	6.3	7.0	7.7	7.1
	C4: Degree of concrete directives	6.7	6.7	7.8	7.2
	C5: Frequent Communication	6.6	6.8	7.7	7.1
	C6: Involvement of consultant	6.8	7.0	7.8	7.2

If we compare client and consultant, then we see that the consultant overall gives higher marks. The biggest differences (more than one point) are with criterion A3: consultant brought in expertise; C1: use of specific method; C3: equivalence between principal and consultant; C4: degree of concrete directives; C5: frequent communication; C8: involvement in the assignment.

The smallest differences are with A2: solution found; A5: participation client system and B1: client system has learned.

When we test the original differences than we find significant differences between principal and consultant with A3: expertise consultant brought in and with ALL process criteria. (C) Consultants judge the bringing in of expertise and handling the consulting process more positive than the principals.

Table 8. Judgment per cluster of effectiveness criteria for the total and per role

<b>Criteria</b>	<b>Principal</b>	<b>Involved person</b>	<b>Consultant</b>	<b>Total</b>
Formal criteria	6.8	6.8	7.3	7.0
Content criteria	6.9	6.4	7.1	6.9
Process criteria	6.7	6.6	7.8	7.0
General impression	6.8	7.0	7.6	7.1

When we cluster the criteria, it appears that the only significant differences between principal and consultant are with the process criteria and with the general impression. The other differences are not significant.

Other important data concern the correlations. For the table above counts that all correlations between principal and consultant, between involved person and principal, and between involved person and consultant, are ALL significant. Meaning: there is a high degree of consensus of opinion on the marks: if one gives a high mark for a specific assignment and a low mark for another, then the other respondents do about the same. Regardless the fact that consultants on the average award higher marks, there is a high degree of agreement on the relative marks.

Principal, consultant and persons involved judge the assignments in the same manner. The fact that different parties in the assignment agree so strongly in their judgment tells us really that

all parties use the same dimension in their judgment.

## **4.2 Other research findings**

In this paragraph we present the results of the study regarding the quality measurement and the potential areas for improving the quality of the consultant's work.

The list of 19 criteria for effectiveness proved to be very workable. We put each criterion on a different card and developed a sorting procedure. In the procedure we could get valid data on the way our respondents (a principal, a consultant, and others involved) turn the matters over in their mind. The criteria that were found most important, are all criteria that have to do with the outcome of the consultancy assignment (goals and solutions) and with the relationship between the principal and the consultant (commitment and frequent communication). The criteria that are found the less important concern the way of working within the assignment (tasks, required sources and means, a specific method).

### *Improving quality*

In the interviews we overheard a great number of opinions. These are difficult to transform into research data in a study like this, because they cannot be quantified and the weighing of them is difficult. Yet we think that we have to note opinions and expressions that we heard frequently, because they give indicators for improvement. We noted down the images that principals have about consultants and about themselves. And the images that consultants have about principals and about themselves.

Principals/clients say that consultants must be clear about what they do or will be doing and which role they will take. They can indicate conditions. That is valued by clients. Clients say that they have to pay attention to the expertise and experience of the consultant.

Principals say about themselves, that the principalship is not always executed professionally, that the assignment could have been formulated better and that the assignment could have been managed better by them.

Consultants say that sometimes assignments are unclear, that they were victims of an internal struggle for power, and that clear and strong principals are very important.

Consultants say about themselves, that they tend to let exist unclarity about their roles and contributions, that the role is sometimes not very well thought of and that they did not communicate well enough with the principal.

### *Recommendations*

The study also resulted in three recommendations. Use a uniform checklist of types of work, roles and criteria to enhance communication between principals and consultants, especially at the start of an assignment. Pay attention to the selection procedures and allow for possibilities for intensive communication and avoid an anonymous way of working or limited personal contact (which is the case in European selection procedures for this type of work).

Principals and consultants can professionalize their roles through in service training and coaching.

## **4.3 Discussion**

### *The future of consulting*

#### *Tendencies with principals/clients*

The budget cuts on hiring consultants in the Netherlands were set in forcefully recent years. Clients in the field of public administration hire far less external consultants, they are more critical and a lot of consultancy firms are victims this new 'hiring policies'. Also this year the Dutch government indicates that they want to cut 200 million Euro on the budget for external consultants. They state that the government needs to be more critical in hiring consultants.

Only when the knowledge or experience is not available in the organization, or when the outsider really is of added value, the government thinks of hiring consultants.

More often also the effectiveness and quality of the consultant's work is taken into account. In the Netherlands there were some major crises concerning fraud in the building and construction sector, and this seems to stimulate the development of integrity checks. As yet it starts in the fields of building and construction, environmental assignments and large ICT projects. But the main idea is to apply it to all sectors of business services and consultancy as well.

We frequently meet principals/clients who tell us that they use the checklist with the 19 criteria for effectiveness (table 3). The list helps them in the entry and contracting phase to clarify mutual expectations and come to a clear agreement on the content, procedures and process of the assignment.

### *Tendencies in consultancy firms*

The recession puts pressure on the markets. Last year consultancy firms had to fire a lot of consultants. The business of recruitment, assessments, training and seminars are collapsed. The number of assignments for the Dutch governments have diminished. This led to a process of rethinking the business case within most consultancy firms: what kind of firm are we, for what kind of clients and with what quality do we want to render our services. We have seen firms reflect on the type of consultancy work and we see them use the list of 19 criteria for effectiveness to formulate the desired quality of consulting and accordingly the professional standards.

The leverage-model from the world of accountancy was adopted by most of the consultancy firms. It means, that a partner has to create work for a certain number of consultants and make sure that they have billable hours. This model seems to be at the end of its life cycle. Many firms want to develop into 'all senior' firms. This matches the trend amongst clients, who are more critical when hiring an external consultant.

Some reflective practitioners predict the end of *the* consultant. They see a growing need for organization professionals, who all from different angles and backgrounds contribute to organizing, changing and learning processes within organizations. Clients and consultants will be working together in communities of practice. Being a member of these communities is no longer the privilege of consultants. This new way of thinking and approach of being in the business of organizing learning and changing organizations also influences the way quality and effectiveness of these processes will be measured (Boonstra, 2004).

Through purchasing policies, through professionalization of principals, and through the growing attention for adequate roles of consultants in the public sector, the consultancy business has to stay sharp. Principals as well as consultants will profit when their subsequent relationships in assignment gets more professional and based on transparent criteria.

### *New areas for research*

This research also indicates new areas for research. We think it can be worthwhile to link the theory of effectiveness and the developed criteria for effectiveness to the types of work of a consultant. We want to know if there are criteria that are preferred in some types of consultant's work and if those criteria are good predictors for the final success of the assignment. Besides we could explore if the criteria can be dedicated to the different stages within an assignment. Are the criteria used during the entry and contracting phase different from the criteria applied when judging the feedback and decision making phase?

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## **About the authors**

Prof.dr. Léon de Caluwé is social psychologist. He is partner with the Twynstra Group of consultants and part-time professor at the Vrije Universiteit in Amsterdam. He leads the Centre for Research in Consultancy. He has 25 years of experience in consultancy and specialized on change, consultancy and interventions. He published more than 80 articles and more than 10 books. Several of them are in English, one in Russian. His dissertation received the Award: “Best-book-of-the-year” by the Dutch Association of Consultants.

Annemieke Stoppelenburg is working as management consultant/trainer/coach. She is active in the field of human talent management. She specialises in learning and change scenarios in which the ‘human factor’ is of overriding importance. She advises on culture change and the use of innovative ways of learning (such as games and simulations).

She studied Public Administration at the Erasmus Universiteit Rotterdam. Before she has worked as a freelance consultant/trainer for universities, colleges and non profit organisations. During nine years she worked as a management consultant at the Twynstra Group of managers and consultants.

She is writing a thesis and does research on the quality of the management consultancy.