Full Length Research Paper

The identification of management consultant liabilities during strategising

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Management consultants experience numerous roadblocks to the successful completion of strategy projects. These typical obstacles create inability to strategise and are the result of inability preconditions. Inability preconditions accumulate into liabilities that not only limit the management consultant’s ability to earn economic rents, but also that of its client. The consequences of unmitigated liabilities in the process of strategising are, however, not limited to the loss of economic rents. Unmitigated strategising liabilities may further result in prolonged competitive disadvantage for the management consultant’s client. Combined, these consequences potentially transform the liabilities into a strategic liability for the principal (client), which could bring about execution failure. The research that informs this article was undertaken from a strategy-as-practice perspective, thus focusing on relevant practices and praxis. It endeavoured to identify and present a theoretical management consultant liabilities framework through the combination of an integrative literature review procedure and the systems approach. It is recommended that the theoretical management consultant liabilities framework presented in this article, be used to inform empirical research to confirm the practical relevancy of the liabilities, preconditions, interrelationships and mediating or moderating factors identified.

Key words: Strategy-as-practice, liabilities, hindrances, management consultants.

INTRODUCTION

Internationally, the Top 20 management consulting firms employ more than one million consultants. On average, each of these consultants generated an estimated 250 000 US Dollars’ worth of turnover during 2009 (Kelloggforum, 2010; Vault, 2011). However, in a recent article, employees at three out of five firms indicated that their firm was unable to execute a corporate or operational strategy efficiently and effectively (Neilson et al., 2008).

Quantifying the aforementioned findings in monetary terms, this would suggest that during 2009 firms spent approximately 178 billion US Dollars on consultants who apparently had the ‘inability’ to strategise – the ‘inability’ to either formulate strategies effectively (the solving of problems) or to guide companies to implement the strategies successfully (the effecting of change).

Considering that academic literature mainly deem consultants as problem solvers and change agents (Antal and Krebsbach-Gnath, 2003; Canato and Giangrego, 2011), it can be construed that organisations are potentially wasting the funds spent on consultants who unsuccessfully contribute to the implementation of strategies (Neilson et al., 2008; Turner, 1982).

The potential ‘inability’ of the consultants is the collective result of problems, challenges, responsibilities and accountabilities that act as potential barriers to successful strategising. These conditions are known as the ‘inability preconditions’ (Ooghe and De Prijcker, 2008: 224). According to Pretorius and Holtzhauzen (2008: 93), “when a firm has to overcome a set of preconditions that limits its ability to earn economic rents, it is experiencing a liability”. Thornhill and Amit (2003) suggest that liabilities are rooted in the resource-based view and stem from previously identified liabilities such as the liabilities of newness, legitimacy, adolescence, obsolescence and foreignness identified and described in literature by authors such as Brüderl and Schüssler (1990),

Arend (2004) draws the attention to strategic liabilities and suggests that while some organisations gain a sustainable competitive advantage from strategic assets, other organisations suffer from a prolonged competitive disadvantage due to strategic liabilities. Arend (2004) further suggests that strategic assets are only one aspect to be considered by organisations and subsequently introduces strategic liabilities as an additional consideration. Strategic liabilities are sources of both competitive disadvantage and poor performance, which when unsuccessfully mitigated will detract from and destroy a firm's ability to generate economic rents. The 'inability' to strategise, resulting from the management consultant's liabilities, meets the litmus test for a strategic liability.

The strategic liability on which the focus falls in this article is the inability of consultants to aid their clients successfully in the strategising process (engagement success) and their associated 'inability preconditions', herein referred to collectively as 'liabilities'. These liabilities, the interrelation between them and the possible resultant negative effect on a firm's performance constitute the meso-praxis of this article. The article is, however, limited to liabilities that affect the external aggregate actor's (the strategy consultant's) practices and ability to implement and adjust a strategy – the micro-praxis of the article. The article can be included in both Domain G (external aggregate actors and micro-praxis) and Domain H (external aggregate actors and meso-praxis) of strategy-as-practice research typology as defined by Jarzabkowski and Spee (2009). These authors contend that external aggregate actors have been neglected in both empirical and theoretical strategy research thus far, and indicate that only one empirical article has been published on external aggregate actors and micro-praxis while no articles have been published on external aggregate actors and meso-praxis, stressing both domains as future directions of strategy-as-practice research.

While academic literature is full of articles investigating the consultant client relationship (Lippitt and Lippitt, 1975; Thomas and Schwenk, 1983; Fincham, 1999; Sergio, 2002), it remains silent on the liabilities or hindrances faced by management consultants during the strategising process. Considering that these liabilities: are effectively costing organisations billions of US dollars, can be regarded as strategic liabilities, have not been investigated by academia and fall within two domains that have been identified as future directions of strategy-as-practice research, it is critical to identify, understand and mitigate the liabilities that consultants are most likely to encounter in the process of assisting organisations with strategising.

This study has one principal aim: to develop a theoretical management consultant liabilities framework, from academic literature, which provides conceptual clarity of management consultant liabilities. It therefore attempts to identify: the liabilities, the interrelationships between the relevant liabilities and the possible mediating and moderating factors associated with the liabilities present in academic literature. Table 1 summarises the research on which this article is based.

This article proceeds as follows: the procedure for locating and organising the literature informing the theoretical framework is provided. The study is then framed with-in the strategy-as-practice field of research. The seven liabilities and the observed interrelationships between the liabilities are presented. Subsequently, the five mediating or moderating factors are briefly described. This article concludes with critical discussion of the results and the presentation of a theoretical framework which can be used to inform future empirical research.

RESEARCH DESIGN

Triggered by practical experience, the literature review, which was approached from a positivist-interpretivist paradigm, aimed to identify consultant liabilities present in academic works. Literature was selected through a combination of an integrative literature review procedure (Kirkevold, 1997; Nienaber, 2010) and the systems approach. An integrative literature review procedure involves the "systematic inquiry into phenomena and relations between phenomena" (Kirkevold, 1997:977). The systems approach is a procedure often used by engineers to gain a thorough understanding of the problem, the underlying causes and the related problems, allowing the problem to be addressed in a broad, holistic context rather than in isolation (Van As, 2002).

The adapted systems approach resulted in the optimal discovery of the liabilities consultants face during the process of strategising, the interrelationships between the relevant liabilities and the mediating and moderating factors associated with the relevant liabilities.

The scientific databases searched were EbscoHost, ProQuest, Sabinet and Emerald as these databases are not only considered to be the leading databases in business and management research, but also enabled the widest possible search of the key terms, as these online databases explore more than 3 000 journals altogether.

The databases were searched for publications published since 1985. The date was determined in a somewhat subjective manner based on convenience, as this is the earliest date for which most databases had downloadable electronic titles, abstracts and full texts available. For apparent major works – identified as such during the course of the searches – the date was not a limitation, particularly when the work was high on the citation indexes. The searches revealed that the age of the publication could not be considered significant; instead, relevance and contribution to the body of knowledge regarding consultants, liabilities and their
Table 1. Summary of the research on which this article is based.

<table>
<thead>
<tr>
<th>Research Question: What are the consultant’s liabilities in the process of strategising?</th>
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<tr>
<td>Proposition A: The liabilities consultants face during the process of strategising can be identified.</td>
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<tr>
<td>Proposition B: The interrelationships between the relevant liabilities can be determined.</td>
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<tr>
<td>Proposition C: The mediating and moderating factors associated with the relevant liabilities can be identified.</td>
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<td>Data collection method: Qualitative (Literature Review)</td>
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<td>Orientation: Domains G and H of strategy-as-practise research have been neglected in both empirical and theoretical strategy research thus far. Due to the lack of research in these specific domains the following question remains unanswered: “What are the liabilities management consultant’s experiences in the process of assisting organisations with strategising?”</td>
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<td>Research aim: The aim of this study is to formulate and introduce a theoretical framework which was enable management consultants to understand the liabilities they are most likely to encounter in the process of assisting originations with strategising.</td>
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<td>Motivation for the study: From a theoretical perspective, the study a contribution to both Domains G and H of the strategy-as-practise research.</td>
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<td>Research design and approach: The researchers developed a theory by combining the systems approach and an integrative literature review.</td>
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<td>Main findings: The study confirms that management consultants indeed do have to mitigate liabilities in order to successfully complete a strategy consulting project. Seven liabilities, the relationships between the liabilities as well as seven moderating and mediating factors were identified.</td>
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<td>Practical/Managerial implications: From a practical perspective this study confirms and identifies the specific liabilities management consultants face in the process of assisting organisations with strategising.</td>
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<td>Contribution: Identifying and understanding the relevant liabilities consultants are faced with, decreasing the number of consultants with an “inability” to strategise.</td>
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Influence on successful organisation strategising were considered paramount. 
At first, a search for keywords ‘strategy-as-practice/activity-based view, consultant, strategy, barriers, liabilities, limitations’ and ‘client’ was conducted. All searches were keyword-based and narrowed down using different keyword variants and combinations. The titles and abstracts of all articles were scanned, which led to a complete reading of works that adhered to the inclusion criteria. Reference lists of the read works were then explored for relevant articles to be included in the process. Works were included if they reported on:

1) The tasks or activities of management consultants
2) The nature of the consultant/client relationship
3) The contribution of consultants to strategy
4) The barriers, limitation or liabilities faced by consultants
5) The content of management consultant failure
6) The content of management consultants and business strategy
7) The origin/history/evolution/development/future of the concepts of consultants, liabilities and strategy.

Second- and third-round searches were conducted using authors’ names in addition to keywords for cross-referencing. Those works that in fact represented consultant liability-related issues were selected. Each article was then assessed and key concepts were identified and reported. Concepts were categorised into sub-categories and reported individually (Corbin and Strauss, 1990). As categories (liabilities) became clearer, works pertaining to these constructs were further explored. The main liabilities were defined and a fourth-round search pertaining to the specific constructs was conducted.

Once the key variables had crystallised, a final search on consultant success was conducted ensuring that constructs pertaining to consultant liabilities matched and exceeded their opposites pertaining to consultant success. The process of adding articles was never officially terminated, but drifted toward closure as a saturation point was reached. This implied that the actual number of works screened became of less importance.
Table 2. Works on consultant liabilities, liability preconditions and the associated mediating and moderating factors.

<table>
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<tr>
<th>Liability</th>
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<tr>
<th>Mediating or moderating factors</th>
<th>Author</th>
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<tbody>
<tr>
<td>Legitimacy</td>
<td>Berglund and Werr, 2000, Singh et al., 1986 and Van Houten and Goldman, 1981</td>
</tr>
<tr>
<td>Consultant adaptability</td>
<td>Kaarst-Brown, 1999 and Kitay and Wright, 2007</td>
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<tr>
<td>Cognitive recipe</td>
<td>Greiner and Ennsfellner, 2010, Romano and Brna, 2001 and Ward, 2004</td>
</tr>
<tr>
<td>Change</td>
<td>Armenakis et al., 1993 and Rumelt, 2011</td>
</tr>
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The number of works screened may not be all-inclusive, but they do represent a wide range of consultant, liability and strategy works.

To ensure credibility in the research procedure of assessing and reviewing academic works to identify liabilities, prolonged engagement, dual researchers and peer debriefing was applied. Transferability was ensured through thick descriptions of both the research methods and findings. Dependability and conformability were ensured by using ATLAS.TI to inductively code liabilities present in academic works (Charmaz, 2006).

The academic works used in the conceptualisation of the liabilities are indicated in Table 2. The research which informs this article is framed within the "strategy-as-practise" research philosophy, this research philosophy and the fit between this article and the philosophy is discussed in following area.

**STRATEGY-AS-PRACTISE**

Strategy as an academic research subject is a diverse, multi-dimensional field with numerous, fundamentally different schools of thought. These fundamental differences are not limited to what strategy research should seek to explain (Haugstad, 1999).

Traditionally, the field of strategy was considered a fundamentally economic discipline, focusing on the macro level of organisation operations. Contemporary society however, calls for a closer look at the "DNA" of organisations and how an organisation should adapt, align and change its "DNA" to survive and grow in the ever-changing macro environment. Underscored by an urgent pull from both strategy practitioners and academics for a deeper connection between strategy theory and the practise of strategy, the 21st century has
seen the development of a new approach to strategy research: Strategy-as-practise (Johnson et al., 2003; Whittington, 2002; Haugstad, 1999; Whittington, 2007).

An understanding of how this article fits into the research domain of “Strategy-as-Practise” first requires an understanding of what “Strategy-as-Practise” seeks to explain.

Jarzabkowski and Spee (2009) suggest that “strategy-as-practise” seeks to explain the “doing of strategy: who does it, what they do, how they do it, what they use, what implications this has for shaping strategy”, how this will eventually impact the performance of an organisation in its environment and the inverse, how the environment has shaped the “doing of strategy”.

Subsequently, a clear understanding of the nine domains of the strategy-as-practise research typology is required.

Jarzabkowski and Spee (2009) provide an overview of future directions for research in the field of strategy-as-practise. These directions are subdivided into nine domains, ranging from Domain A to Domain I. Each of the domains is defined by a) the level of praxis and b) the type of practitioner.

Firstly, praxis refers to “the stream of activity in which strategy is accomplished over time”. The level of praxis is subdivided into the following three levels:

1) Micro level, which refers to studies that explore an individual's or group is experience of a specific situation
2) Meso level, which refers to the organisational or sub-organisation level
3) Macro level, which refers to the institutional level of the industry.

Secondly, the types of practitioners differ between the following three types:

1) Individual actors within the organisation
2) Aggregate actors within the organisation
3) Extra-organisational aggregate actors.

The research that informs this study seeks to explain what factors are affecting the ability of strategy practitioners, in particular consultants, to strategise. Consultants form part of the third group of strategy practitioners as identified by Jarzabkowski and Spee (2009), namely the extra-organisational aggregate actors.

Vaara and Wittington (2012) suggest that the true power of “strategy-as-practise” lies in its ability to “explain how strategy-making is constrained”. The theoretical framework that this article aims to develop will enable one of the key groups of strategy practitioners to understand and mitigate the constraints (herein referred to as liabilities) they are facing in the process of strategising.

The identified liabilities, interrelationships, mediating and moderating factors are discussed in the following area.

SYNTHESIS OF LIABILITY LITERATURE

Management consultants (hereafter referred to as ‘consultants’) are individual or aggregate actors, contracted to assist organisations in the strategising processes in an objective and independent manner (Greiner and Metzger, 1983; Jarzabkowski and Spee, 2009: 69-95). The research on which this article is based was limited to management consultants. As such, the study did not consider the liabilities faced by consultants with other areas of specialisation such as engineers, architects, auditors and economists. It is, however, acknowledged that these consultants are also involved in the process of strategising in their various fields of specialisation. The integrative literature review revealed seven management consultant liabilities, their associated preconditions, five mediating or moderating factors and the relationship between the relevant liabilities. The seven identified consultant liabilities and their associated liability preconditions would be presented.

Liability of problem crystallisation

During the Chinese Warring States Period (476-221 B.C.), Sun Tzu (Sun Tzu, 2004) suggested that the recognition of and knowledge about a problem is the key to its solution. This view is echoed in the 21st century by Rumelt (2011: 2), who lists “failure to face the problem” as one of four "hallmarks of a bad strategy". An inability to recognise the root cause of the problem is, however, only one of the elements that together constitute the problem liability. The next element is the articulation and communication of the problem.

Once the root causes of a problem have been recognised, they need to be formulated and then presented in a form that can be communicated. The error associated with communicating any problem lies in choosing to represent the problem in a manner that effectively changes the question. Mitroff and Featheringham (1974) identified an "error of the third kind" associated with hypothesis testing, namely the probability of solving the wrong problem, or in this case, the probability of incorrectly communicating the problem (Cowan, 1986; Isaksem, 2011; Knoeri et al., 2011; Lyles and Mitroff, 1980; Miller, 1994).

Both elements of the liability of problem crystallisation – recognition and communication – originate in the 'inquiry system' of the individual or group responsible for solving a specific problem. An inquiry system can be defined as a specific methodology reflecting the thinking process of an individual in solving a problem. Irrespective of the problem, different inquiry systems result in different representations of the problem (Cowan, 1986; Isaksem, 2011; Knoeri et al., 2011; Lyles and Mitroff, 1980; Miller, 1994; Mitroff and Featheringham, 1974). The probability of making an "error of the third kind" is mostly dependent
on the problem solver's (the consultant's) inquiry system. The consultant's preferred inquiry systems eventually influence the type and number of viable courses of action (strategies) available to the consultant. The consultant's preferred course of action inevitably influences the outcome of the strategy (Cowen, 1986; Isaksem, 2011; Knoeri et al., 2011; Lyles and Mitroff, 1980; Miller, 1994; Mitroff and Featheringham, 1974).

Solving problems requires focus, and consultants are often in a position where they have to choose one specific course of action or to set aside one course of action in favour of another. However, Rumelt (2011) states that many consultants and/or organisations are not able to choose between different courses of action and end up combining the different courses of action in a mismatched pool of goals and objectives. Consultants are regarded as problem solvers; intervention specialists who are mostly needed only when an organisation cannot solve a problem internally (Antal and Krebsbach-Gnath, 2003, Neilson et al., 2008). Organisations are however reluctant to admit that a problem exists, allowing an extended period of time to lapse from when the problem is first recognised until such time as a consultant is appointed to intervene. This time lapse usually exacerbates the severity of a problem.

Organisations are either reluctant to provide consultants with in-depth, multi-level information about the problem or to participate in defining the root cause of the problem as this will expose internal inabilities to 'outsiders,’ who in this case are the consultants. The arrival of the consultants further triggers changes in the behaviour of management and employees, increasing the difficulty of identifying the problem (Antal and Krebsbach-Gnath, 2003). This unwillingness of organisations to communicate the true problem results in consultants not knowing what the organisations' expectations are. These unarticulated expectations allow misunderstanding between the consultant and client and form the metrics against which consultant success is eventually judged (Turner, 1982). Werr and Linnarson (2002) suggest that expectations and the purpose of an engagement must be clearly communicated and agreed upon in the early stages of the engagement process, as this not only allows consultants to stay in control but also to define the problem correctly (Gable, 1996; Turner, 1982). The liability of problem crystallisation therefore includes any (or several) of the following preconditions:

1) Failure to identify the root causes of a problem faced by an organisation
2) The inability to communicate the problem correctly
3) Insufficient knowledge about the problem
4) Inadequate experience in dealing with the problem
5) An inability to choose between different courses of action
6) Organisational reluctance to appoint consultants
7) Organisational reluctance to provide the necessary information
8) Behavioural changes triggered by the arrival of consultants
9) Unarticulated expectations.

**Liability of successful consulting**

Consultants cannot implement a strategy, effect organisational change or learn on behalf of their clients. Unless the organisation believes that their problem has ultimately been addressed by members of the organisation, a consultant's suggestions will always face 'internal resistance'. As a result of such internal resistance, a good strategy may not be implemented or an essential change may not be effected. Therefore, in order to strategise successfully, consultants need to transfer their knowledge to the organisation, while directing the organisation from the peripheral (Antal and Krebsbach-Gnath, 2003; Gable, 1996; Jacobson et al., 2005; Payne and Lumsden, 1987; Turner, 1982).

The transfer of knowledge in the process of strategising is an ongoing process that uses a range of texts and practices. The consultant – the author – uses text to direct an organisation's path to competitive advantage. When producing and communicating (verbal and non-verbal) texts a consultant must be able to skillfully interlink different perceptions of the reality. The texts produced must in fact convince the reader that the consultant was only a catalyst through which the organisation strategised (Wright, 2011; Hendry, 2000; Barry and Elmes, 1997).

It is this slight misrepresentation of the facts that constitutes the liability of successful consulting. When the organisation believes, as they must, that they themselves have somehow solved the ‘unsolvable problem’, they normally deem the consultant's work as sub-standard. This effectively labels the consultant as unsuccessful and a waste of money (Mclachlin, 2000). This newfound belief in the abilities of the organisation extends the period of time that the organisation will spend on trying to solve the next problem. This time extension mostly results in increased difficulty to successfully strategise as consultants. When consultants are eventually contracted, they face an increased difficulty in identifying the cause of a problem (liability of problem crystallisation); an increase in the amount of trivial information provided (liability of information overload), and a decrease in the time available to solve the problem, thereby increasing the time-related stress associated with the liability of time.

**Liability of context knowledge**

The liability of problem crystallisation suggests a relationship between effective problem diagnosis, successful strategising and the consultant's system of inquiry. The consultant's inquiry system, or frame of mind, is shaped
mostly by contextual and socio-cultural factors (Antal and Krebsbach-Gnath, 2003; Yang and Haiwei, 2006; Greiner and Ennsfellner, 2010; Hendry, 2000; Kieran, 1998; Turner, 1982). The liability preconditions informing the liability of context knowledge are the contextual and socio-cultural factors shaping the inquiry system of the consultant; the consultant's understanding of the organisations' internal and external environment; and the fit between the consultant and the specific organisation's context.

The five categories of environmental (contextual) and socio-cultural factors that influence the environmental liability are discussed in the next sub-sections. For the purpose of this study, these factors were defined from a consultant's perspective. As such, these categories deviate from the normal distribution of external and internal environmental factors affecting the organisation (De Bruyn and Kruger, 2001). The contextual and socio-cultural factors that have been determined to influence the success of a consulting project are given.

**Liability of social architecture**

Social architecture refers to the cultural configuration of an organisation as well as of the consultant and the subsequent fit between the two (Hofstede, 2003). The cultural configuration of an organisation or individual (consultant) originates in the cultural web of the macro-environment within which the firm operates. Hill (2009) argues that this cultural web consists of six factors: social stratification, education levels, language, religion, and political and economic philosophy. The organisation or individual, however, adapts and changes the macro-environmental cultural web and forms an organisation- or individual-specific culture.

Both Hill (2009) and Kitay and Wright (2007) argue that the organisation's social architecture directly influences its rules of acceptable behaviour, expectations, the consultant's outsider status, the level of internal resistance to the presence of the consultant and the level of internal resistance to implement the consultant's recommendations. Consultants therefore face the liability of social architecture which may be highly relevant with increased internationalisation.

**Liability of industry key success factors**

Consulting forms part of the knowledge economy (McKenna, 2001) or knowledge industry (Ciampi, 2007; Fincham, 1999). Consultants are, however, not always knowledgeable about their clients' specific industry and the key success factors associated with that specific industry. A lack of knowledge about these key success factors can lead to strategies that are less effective (even harmful) to the organisation. Harmful strategies, and strategic liabilities, decrease economic rents and lead to a competitive disadvantage (Arend, 2004).

**Liability of customer value proposition**

A customer value proposition is the value the organisation creates in the mind of the customer. Knowledge of this value proposition is essential to earning superior economic rents and should continuously be challenged. However, some managers and consultants view it purely as a marketing function, neglecting to truly define value. This, however, can ultimately lead to a misalignment between the company and its customers (Anderson et al., 2006).

When an organisation is out-of-touch with its customers, sales will eventually begin to decline. Left unattended, this could result in failure of the organisation. It is therefore imperative for the consultant to understand the value proposition of the organisation. This could improve the alignment of any changes to the organisation, proposed by the consultant, with the organisation’s value proposition (Anderson et al., 2006).

**Liability of the organisation**

An organisation is the sum of hundreds – even thousands – of processes and micro activities, structured in such a manner as to produce a certain, desired output (Harrington et al., 2009: 3) These processes are planned, organised, controlled and managed by people – the management of the organisation (Oosthuizen, 2008, Neilson et al., 2008).

Each management team has a different background, has different training and is motivated differently. This affects the manner in which management manages and structures the processes that constitute an organisation, collectively known as the management style of an organisation (Greiner and Ennsfellner, 2010; Lebestky and Tuggle, 1975; Payne and Lumsden, 1987; Turner, 1982).

In order to obtain valid information, multi-level participation and co-operation – necessary for successful strategising – a consultant should be able to identify these specific management styles. Organisation-specific management styles influence the flow of information; the internal communication methods; the allocation of decision rights, responsibilities and accountabilities; the hierarchal participation in strategising; the ability of the consultant to form a partnership with management; and the ability of a change or new strategy to gain momentum (Greiner and Ennsfellner, 2010; Lebestky and Tuggle, 1975; Payne and Lumsden, 1987; Turner, 1982). Facing this liability requires consultants to deliberately pursue understanding of the detail working of the organisation and why they exist within an organisation.

**Liability of perception**

Certain elements associated with social architecture,
such as social stratification and education level, determine the type and colour of lens through which people in organisations perceive or judge consultants and how consultants perceive and judge organisation practitioners. Perception subsequently has two contributing factors: the organisations' ability to avoid self-referencing criteria when judging the consultant's perceived capability to succeed and the consultant's ability to avoid self-referencing criteria when judging their ability to introduce the needed changes successfully (Bhawuk and Brislin, 2000; Fischlmayr, 2002; Jeurissen and Van Luijk, 1998 Trommsdorf, 2011). Faced with the liability of perception, consultant need to deliberately address issues that might be misconstrued as a result thereof.

**Liability of influential power**

Consultants serve a limited function in an organisation and as such they are normally only granted limited execution power and discretion. However, they possess knowledge and expertise that is of value to the organisation, effectively granting the consultant referent (trust) and expert power – the 'power to ...'. This referent and expert power could, however, result in a conflict between the consultant's knowledge and expertise and management's legitimate authority – the 'power over ...' – thereby diminishing the consultant's ability to effect change (Davenport and Early, 2010; Fullerton and West, 1996; Göhler, 2009; Payne, 1987; Wright, 2011).

Effecting change is the true purpose of a consultant when strategising (Carter et al., 2008; Petersen and Pulfelt, 2002). The possibility of a power conflict compels a consultant to be able to influence management to forego their authority for the greater good of the organisation (Davenport and Early, 2010). A consultant should, however, use influence with caution and be an experienced “seller of the idea”, as any attempt to influence could have three possible outcomes, namely commitment, compliance and resistance. Successful strategising requires commitment from the whole organisation, while the chance of success increases significantly when organisations regard consultants as part of the overall management structure. Influential power therefore has three preconditions, namely the amount of power granted to the consultant by the organisation; the consultant's ability to identify the role players within the organisation with influential power; and the consultant's ability to influence management to commit to a proposed strategy.

**Liability of information overload**

The World Wide Web has changed the way in which the world views information. Information is now considered easy to come by, and is no longer regarded as exclusive. This constitutes a major vulnerability for consultants, who not only earn their living from possessing information, but also gain their power and competitive advantage from information (Göhler, 2009; Lubit, 2011). The massive amount of information and data available from the World Wide Web is effectively paralysing the receivers thereof. This is mainly due to the ‘noise’, or overload of information created by huge amounts of information (Edmunds and Morris, 2000; Harrington et al., 2009:3).

Information overload is simply having too much information to make sense of or use effectively. During the process of strategising, information overload can lead to distractions, a loss of focus, increased errors and impaired judgement (Edmunds and Morris, 2000), the result of which is a ‘fluffy’ strategy. A ‘fluffy’ strategy is a strategy that merely rephrases and reorganises a bunch of scrambled objectives, while adding a dash of buzzwords impersonating expertise (Davenport and Early, 2010; Turner, 1982).

The preconditions of the liability of information overload fall into any of four categories:

1) Customer information overload, specifically the amount of information and data available to customers or clients (Edmunds and Morris, 2000)
2) Organisational information overload as far as it pertains to the organisation's ability to process information without the information affecting its ability to make decisions (Edmunds and Morris, 2000)
3) Personal information overload, referring to the individual's ability to process the huge amount of information (Edmunds and Morris, 2000)
4) Methods overload, referring to the numerous strategic management tools and different sequences in which managers are taught at business schools to apply the different tools (Edmunds and Morris, 2000; Ghosh and Nee, 1983).

However, the World Wide Web is not the only contributing factor to the information overload experienced by consultants in the process of strategising (Edmunds and Morris, 2000). During strategising, information overload mostly originates in the multitude of strategy success frameworks available to the consultant, but also in consultants and organisations being ‘information illiterate’. One is considered ‘information illiterate’ when one is unable to distinguish between ‘noise’ and crucial information. In order to become ‘information literate’, the right question has to be asked to ensure that information retrieval is focused and direct (Edmunds and Morris, 2000). This alludes to a potential relationship between the liability of problem crystallisation and the liability of information overload.

**Liability of integrated activity**

When consultants are ‘directing’ the organisation, they
must be able to fit their process changes – needed to ensure successful strategising – to the various activities performed by the organisation, and ensure organisation-wide “buy-in” of the changes, as this will enable the creation of value needed for a competitive advantage (Pretorius and Holtzhauzen, 2008; Antal and Krebsbach-Gnath, 2003).

Figure 1 illustrates that consultants and organisations are distinctly separate entities. Successful strategising, however, is strongly dependent on the fit between these two entities. However, this fit does not occur in isolation and is context (environmentally) dependent (Davenport and Early, 2010; Kitay and Wright, 2007).

The preconditions for the liability of integrated activity lie in the paradoxical nature of this fit. The paradoxes manifest in six ways affect the strategising relationship namely:

**Communication**

A consultant must be able to see how the process changes in time, create an advantage and communicate this to the organisation. Ironically, during the process of communicating the necessary changes, tacit knowledge is reduced to explicit text, making it simple to imitate – which constitutes a loss of the perceived advantage (Wright, 2011).

**Routines**

To create value, a consultant must be able to balance the organisation’s routine for success with its capacity for reinvention. Paradoxically, these routines (that create security and stability in an organisation) are easy to imitate and any value associated with the reinvention process is lost (Jarzabkowski, 2004).

**Simplification**

A consultant must be able to simplify complex changes to ensure organisational understanding. Ironically, simplicity increases imitatibility and places competitive advantage at risk (Campbell-Hunt, 2007; Lumpkin and Dess, 2006).

**Combination**

Problem solving requires creativity, knowledge and intuition. Knowledge is accumulated over time and forms ‘knowledge structures’ in the brain. When faced with a problem the brain will most likely take the most familiar path, knowledge. Knowledge plays a paradoxical role in creating novel, intuitive and creative ideas, typically that of enhancer or inhibitor. A consultant must therefore be able to combine the different knowledge structures or thinking patterns of individuals to ensure creativity (Ward, 2004; Lumsdaine and Lumsdaine, 1994).

**Structure**

Successful strategising requires the division of responsibility and accountability, the free flow of information and the ability not to second-guess decisions. This requires structure. Ironically, structure creates a division between different hierarchical levels and causes higher-level employees to consider the implementation of strategy as being beneath their dignity. A strategy is only as successful as the organisation’s ability to implement it. A consultant, who must therefore be able to simultaneously formulate and implement a strategy, can only achieve this by getting the lower-level employees who execute a strategy involved in the planning; thereby disregarding structure (Hrebinik, 2006; Neilson et al., 2008). This alludes to a possible relationship between the liabilities
of integrated activity, data and information as well as context knowledge.

**Technology**

Organisations spend millions on the research and development of new technology every year. Technology is, however, highly imitable and competitors can easily reproduce their own version. Organisations subsequently often keep this new technology closely guarded until it has been commercialised. Ironically, such an approach results in new products often being sprung onto an unsuspecting market and therefore often rejected by the market, or the market accepts the novelty for a while and then returns to what is known – the liability of adolescence (Payne and Lumsden, 1987; Levinthal and Finchman, 1988; Brüderl and Schüssler, 1990).

**Liability of time**

Time has two major implications for a consultant:

1) The liability of problem crystallisation: Consultants are problem solvers. However, most problems encountered by consultants have been neglected by organisations for long periods and typically require a speedy solution.

2) Consultants charge per hour: Most organisations therefore limit consultants to a contractually specified amount of billable hours (Lebestky and Tuggle, 1975; Turner, 1982).

The time constraints faced by consultants directly influence their ability to strategise successfully. This is mainly due to the psychological pressure (stress) that a time constraint exerts on consultants (Romano and Brna, 2001). The major effects of time-related stress on individuals are a temporary loss of mental control, a loss of focus, attention and concentration, an increase in errors made, a loss in creativity, a decrease in productivity and efficiency, a change in the thinking pattern and system of inquiry, and difficulty to discern between ‘noise’ and crucial information (Appelbaum and Steed, 2005; Kitay and Wright, 2007).

These effects suggest a further potential relationship between the liability of time, the liability of problem crystallisation (in that an inability to cope with increased psychological pressure results in consultant “block”, leaving the consultant unable to identify even the most obvious of problems) and the liability of information overload (as time-related stress causes a person, the consultant, to temporarily become “information illiterate”). The liability of time therefore has three preconditions:

1) The time constraints imposed on consultants by organisations

2) The consultant’s psychological reaction to an imposed time constraint

3) The consultant’s ability to remain efficient given the time constraints imposed by organisations.

During the course of this study, various factors were identified as contributing to a consultant’s capability to strategise. Some of the observed factors are regarded to be liabilities or barriers in the process of strategising, while others are regarded as mediating and/or moderating factors affecting the relationship between liabilities and the eventual manifestation of each.

**MEDIATING OR MODERATING FACTORS**

This study proposes that these five factors are either moderating or mediating variables. They are moderating (directly affecting a relationship) or mediating (indirectly affecting a relationship through a “third” element), as the effects of these factors on the relationship between management consultants and the successful completion of a strategy consulting project have not been determined. The five moderators and mediators are briefly discussed as follows:

**Legitimacy (mediator)**

Consultants are judged (by client and implementers) to be legitimate when they are able to create the perception of being successful, authentic, independent, reliable, appropriate and acting with integrity and honesty. The external perception of legitimacy originates from the consultant’s professional and academic credentials, knowledge, expertise (the ability to apply knowledge), credibility (a track record of success), communication ability, persuasion ability and the consultant’s perceived contribution to the success (Berglund and Werr, 2000; Singh et al., 1986; Van Houten and Goldman, 1981).

**Consultant adaptability (mediator)**

Adaptability in this context can be defined as the consultant’s ability to adapt to and fit into an organisation-specific environment, while playing the roles expected by the client. These roles include being a professional (sharing knowledge), a prophet (being a visionary, a pioneer, creative), a partner (acting as a guide, a tailor, a confidant, and a business person), a deliverer (being on time), a persuader, a communicator and a service worker (Kaarst-Brown, 1999; Kitay and Wright, 2007).

**Client engagement (moderator)**

Client engagement pertains to the consultant’s ability to gain the trust of a client (Buday, 2003; Davenport and Early, 2010; Fincham, 1999; Göhler, 2009).

**Cognitive recipe (mediator)**

The way in which people think defines their problem-solving method – their cognitive recipe. Consultants must be able to recognise their own cognitive recipe’s strengths and weaknesses and be able to utilise their strengths to their advantage and to mitigate their weaknesses (Greiner and Ennsfellner, 2010; Romano and Brna,
Change (moderator)

Unconsidered change is seen as one of the four fatal flaws in strategising with clients. The elements of change that are regarded as fatal when unconsidered, are aiming for a once-off big solution rather than incremental change and ignoring the clients' willingness to change (Armenakis et al., 1993; Rumelt, 2011).

CRITICAL DISCUSSION OF FINDINGS

Literature that identifies factors which hinder management consultants in the process of strategising is fairly limited. It appears that for the last two decades academia focused on the relationship between consultants (in general) and their clients. This may be due to academia not regarding consultants as strategists until strategy-as-practice was recognised as a field of strategy research (Wright, 2008).

The research on which this article is based revealed that management consultants (trained qualified persons, who assist management in an objective and independent manner - Greiner and Metzger, 1983) do indeed face several documented liabilities (hindrances) in the process of assisting organisations in the strategising process. Literature documents seven liabilities (not necessarily named as such) namely the liabilities of: problem crystallisation, successful consulting, context knowledge, influential power, information overload, integrated activity and time.

Each of these liabilities is the combination of a unique set of "inability preconditions". It is the combined effect of these preconditions that act as a barrier to management consultant success in the process of assisting organisations with strategising. If liabilities are not overcome, the outcome may be diminished.

Several interrelationships between the "inability preconditions" have also been observed. Suggesting that excluding the liability of influential power where no obvious relationship has been observed, all the liabilities are connected to various extents. The nature and strength of these relationships however remain unclear at this stage and due to space limitations are not further explored. They do require further and future research.

Although literature indicated that the identified liabilities (the result of 'inability pre-conditions') do indeed act as potential hindrances to successful strategising, mediating and moderating factors exist that influence the impact of the liability pre-conditions on consultants. These factors are: legitimacy, adaptability, client engagement, cognitive recipe and change.

The principle aim of the research on which this article is based, was to identify and develop a theoretical management consultant liabilities framework, from academic literature, which provides conceptual clarity of management consultant liabilities.

Literature documents five variables that must be included in such a framework: management consultants, successful consulting, the seven liabilities, the 'inability pre-conditions' and the five mediating and moderating factors. Figure 2 proposes a graphical depiction the theoretical management consultant liabilities framework, which resulted from combining these five variables. It shows the liabilities, their interrelationship, the moderators and mediators of these relationships and where the impact the management consultant impact on implementation of a strategising project.

Figure 2 illustrates that the main goal of any management consultant in a strategising session is the successful completion thereof. The identified liabilities however intervene in the relationship between management consultants and successful consulting. These liabilities are the result of a unique combination of 'inability preconditions'. The effect of which, on the relationship between management consultants and successful strategising, are mediated or moderated by five factors.

CONCLUSION AND RECOMMENDATIONS

The research that informed this article set out to firstly identify liabilities and secondly develop a theoretical framework that would enable future research into these liabilities that intervene in the relationship between management consultants and successful completion of a strategising project. Subsequently, seven liabilities and associated pre-conditions, the interrelationships between these liabilities and five mediating or moderating factors were indentified and combined into a theoretical framework (Figure 2).

At this stage, it should be pointed out that the literature review was exploratory and descriptive in nature and therefore cannot be generalised. Subsequently, it is recommended that the proposed theoretical framework be used to inform empirical research to confirm the proposed theoretical framework and the practical relevancy of the identified liabilities, the preconditions and the mediating or moderating factors.

It is further recommended that future research should investigate and compare the relationship between and impact of the liabilities on independent consultants, consultants that form part of large corporations – both junior and senior (more experienced) consultants – as well as consultants in both private and public organisations (Nachum,1998).

The theoretical management consultant liabilities framework proposed in this article does not only contribute to the accumulation of knowledge in the field of strategy-as-practice research, but it also forms an integral part of the process of identifying and understanding liabilities management consultants are required to deal with. Principally, it has created a conceptual tool that will enable management consultants to mitigate the liabilities they are expected to encounter in the process of
assisting organisations with strategising.

REFERENCES


