
QUO VADIS, MANAGEMENT CONSULTING?

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Received: 22. February 2022

Reviewed: 10. April 2022

Accepted: 15. April 2022

Abstract

This article aims to provide a detailed and comprehensive presentation of the field of management consulting. The history of management consulting begins at the time of the first industrial revolution, and since then, it has been one of the most prosperous industries and professions. Business life today is unthinkable without consultants. The paper presents the traditional and new reasons for employing consultants. It describes the most critical factors and global trends affecting the development and evolution of management consulting. Our study covers regional specificities and consulting trends in Central and Eastern Europe, focusing on Slovakia based on secondary data by reviewing and synthesizing the most recent literature.

Keywords: management consulting, history, development

JEL Classification: M10, M19

Introduction

Few professions in the world have been labelled with as much criticism and enthusiasm as management consulting during the last few years, both within our national borders and beyond.

Various consultants' jobs are frequently compared to exceptional "medical diagnostics" or "innovators" who are not afraid to try novel ideas.

Negative connotations of failed projects, on the other hand, draw attention to the shortcomings and challenges of this field. Consultants' work, like that of any other profession, is marked not only by success and considerable advancement but also by a variety of negative stereotypes: "charlatan," "quack," "jobless leader," and "success-seeking psychologist."

In some ways, the above assertions are correct, yet they do not adequately describe the essence of consulting. We do not find many encouraging notes in the literature regarding internationalization and globalization. The major consulting companies, which are now being reduced into the "Big Four", operate as "relationship development and orientation" agencies in this sector.

These popular or negative connotations in consulting are frequently connected to the fact that the general public is unaware of the consulting profession's essential qualities and added value and its genuine relevance.

The purpose of the present paper is to shed some light on the current and future trends in management consulting based on the most relevant literature sources we found in connection with the topic. It is worth mentioning that the paper is a review article by nature, summarising the sources that have made a significant contribution to the profession and drawing the most relevant conclusions.

Theoretical background

Let us get acquainted with the consulting terms below. The analysis of the work of different authors (Kubr, 1996; Schein, 2002; Biech, 2007; Kipping & Clark, 2012; Niedereichholz & Niedereichholz, 2012; Brooks & Edwards, 2014) indicates that consulting, in general, is like a kind of human assistance. In this process, some ask for help, while others assist. In agreement with the authors mentioned above, only targeted professional or public interest assistance, information, and recommendation can be considered for consulting regarding our subject.

About consulting

Apart from semantic and stylistic distinctions, there are two primary groups for the fundamental concept of consulting (Kubr, 1996; Markham, 1999; Kipping-Clark, 2012): the ability to provide assistance and organizational level help.

Authors who consider that any action or function aimed at offering assistance (including problem identification and problem solutions) falls under the consulting category belong to one of two groups. According to this interpretation, consulting can be delivered not just by an external, independent person but also by an internal organizational unit or individual. The consultant (counselor) and the individual seeking assistance (client) build a unique relationship during the consulting process. It is as vital to understand the consultant-client relationship as it is to understand the client's concerns in the consulting process. Consulting also necessitates the client's willingness. The reciprocity, the cooperative and adaptive character of the consulting activity, and the necessary personality attributes of the stakeholders participating in the process are all emphasized in this approach.

According to the other group, consulting is a professional service that can only be performed if certain conditions are met (e.g., legal, financial, and organizational

independence, as well as sufficient professional skills and competencies) (Greiner-Metzger, 1983). “Consulting is nothing more than what others decide to implement”, Wesel (2013: 20) states emphatically. In support of this viewpoint, Kubr (1996: 3) quotes the Management Consultancy Handbook, which is available at practically every consulting company, and recommends the following notion concerning consulting:

“Consulting is a professional service provided to organizations and their managers by external (e.g., consulting firms) or internal (e.g., internal consultancy) service providers to help organizations achieve their goals, identify and solve problems, identify new opportunities, skills, and change.”

About consultants

Given the preceding, the consultant is a specialist with appropriate professionalism and objectivity in management/leadership issues who perform activities that include identifying and analysing problems and opportunities, developing solutions, and assisting with implementation, although without direct authority, right of instruction to introduce and implement proposed changes.

Based on the work described above, consultants can be classified into the following three major groups (Table 1).

- Expert consultants propose solutions based on their expertise and experience, convince the customer of their correctness, and assist in implementation. For a long time, it was only the expert character that dominated the work of the consultants.
- Process consultants help their clients find solutions they can implement by stimulating and facilitating the creativity of the client’s employees. Process consultants often deliver their services through interaction that requires team and individual collaboration.
- Inquiry consultants, the relationship becomes more personal and direct, rather than purely professional. All this leads to a new model of consulting, i.e., inquiry consulting, which responds to the challenges of a complex and uncertain environment.

Table 1 Different consulting models

Consultant Emphasis	The Advice Model	The Process Model	The Inquiry Model
What is the consultant’s task?	Solve problem	Solve problem	Achieve the client’s desired outcome
What should the relationship between consultants and clients be?	Consultant transfers or delivers knowledge to client	Consultant and client work together on human relationships and organization dynamics	Consultant and client are partners on technical and social/human dimensions of change
Who is the expert?	Consultant is an expert who brings knowledge and best practices	Consultant is a „helper“ or process expert	Client and consultant each bring different types of expertise to bear on achieving the outcome
How should the client’s capacity be increased?	Transfer knowledge in the form of product or service	Help clients learn to work together more effectively	Client and consultant co-create knowledge needed to achieve the outcome

How much attention should the consultant give to the uniqueness of each client organization or community?	Low (knowledge transferable across contexts)	High High
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Source: Brooks, A. K., and Edwards, K. (2014, p. 19.)

Specific features of consulting activities

There are several levels of relationship between the consultant and the client where different levels of added value can be achieved. Day (2004) distinguishes five levels of added value: commodity, product, adaptation service, proficiency, and profound transformation. In Markham’s approach (1999: 2), consulting intervention can occur at four different levels:

- Information
- System planning
- Change
- Learning

Consulting is part of “knowledge-based services that can be bought and sold but cannot be dropped on your foot. ... The service product is often intangible, hard to store and transport, and difficult to demonstrate in advance to potential clients.” (Miles et al., 1999: 3). The following four specific features should be highlighted concerning such services:

- the crucial role of human capital and know-how,
- the high rate of intangible activities,
- diversity and standardized character,
- an intensive relationship between the customer and the service provider.

According to Drucker (2008), one of the knowledge industry’s essential services is consulting, including domestic and international HR consulting.

Nowadays, it is noticeable that all three trends (experts, process, and inquiry) mentioned above are trying to learn from each other and translate each other’s methods into their work.

Influencing factors of management consulting

Management or business consultancy (from now on referred to as consultancy) can look back upon nearly a hundred years of history. This profession was not born today (Kubr, 1996). As an independent venture, it was born in the US in the 1910s and 1920s. Today we can hardly find an area of business life that cannot be connected to consultancy business (Kipping & Clark, 2012).

- *Impact of the global financial crisis:* The global financial crisis at the end of the last decade highlighted the end of “shareholder capitalism” based on purely financial bases (Thomas et al., 2014). Our complex and unstable world today deserves more. There are many signs that a new phase of development of capitalism, “stakeholder capitalism”, is emerging. The trends listed above non-exhaustively indicate a new era: special needs are put forward, which can affect different consulting work areas. Brooks and Edwards (2014) argue that due to the changes reported in the area of the nearly 150-year- old consulting, instead of the problem the result

orientation; instead of the expert work joint creation; instead of static, dynamic knowledge creation and instead of professional approach, personal relationships are in the limelight (Sturdy, 2011).

- *New digital area:* As a result of the new digital technologies, we have less and less expert work demanded, which doctors provide, lawyers, and among others, consultants. In their book, Richard and Daniel Susskind (2015) believe that new technologies far outweigh the human and expert performance of today's experience. The cited authors believe that new digital techniques will significantly transform the knowledge, use, and application of practice-oriented know-how. A similar opinion is echoed by Geffroy and Schulz (2015) in their work published in German. They believe that the process of generation change, the use of new digital technologies, networking, and speeding up processes transform companies and institutions significantly.
- *Emerging expectations of clients:* Fiona Czerniawska (2018), a well-known consulting author and consultant, has recently asked 100 major US companies about the type and character of consulting in the future. Ninety-one percent of the respondents indicated that it would be more convenient for them in comparison with the traditional one if consulting in the future would have the following features: "an on-going service, aimed at delivering a specific and concrete outcome, and involving a combination of software, data, and analytics, and consulting expertise".
- *Pandemic and unstable economic situation:* Management consulting industry, which is heavily dependent on travel and in-person meetings with clients, was severely hit by the Covid-19 pandemic. Like many professionals, consultants had to react and adapt quickly to continue to meet client needs during these times. The economic slowdown due to the pandemic has primarily impacted the revenues of consulting firms. Research institutes (consultancy.org, Source Global Research) estimate that the global management consulting industry witnessed a 19% loss in market value, amounting to lost revenue worth \$30 billion in 2020.

All the abovementioned changes require the transformation of business consulting work and its education and training (Thomas et al., 2014). This transformation has a vital role in the new communication style, the use of digital tools, and the role of independent expert work (Ginevri & Trilling, 2017; Jimenez et al., 2017). The cited authors believe that the consultant does not have to be overwhelming; instead, a person who solves the different tasks of consulting work through expertise, focus, distinctive character, and perplexity (Schein, 2016).

In the process described above, the role of the consultant was completed by making recommendations. Today and perhaps soon, we are witnessing a revolutionary transformation in which the process of consulting work is being expanded. The characteristics of this new type of consulting work can be summarized as follows:

- *Professional Discussion:* The client becomes a consulting partner, sometimes knowing much more than what is described in traditional consulting.
- *Continuous communication:* The client wants to be kept updated with what is happening at their company and regularly consult with the consultant.
- *Client representatives are active participants in the project work:* The consultant is not alone; they work together to establish and implement the changes needed.
- *The client expects assurance:* The consultant's professional opinion is no longer almighty. The client expects professional facts and support to prove the consultant's suggestions.
- *Fast project work:* Time-consuming and long consulting work is a thing of the past.

- *Implementation is the key to success:* The best proposals can only be proven by successful implementation.
- *The client's active participation reduces the commission fee:* The client only wants to pay for the actual value. They try to eliminate all the unnecessary time spent and want to achieve a lower commission fee.

Reasons for consulting

Traditional drivers

Kubr (1996) lists five reasons why consulting is needed:

- helping organizations achieve their goals,
- solving management and business problems,
- identifying new opportunities,
- promoting organizational learning,
- making changes.

In connection with the above, Markham (1999:5), quoted above, states, "Management consulting products consist of proven services and methods, the theoretical and practical knowledge of which can be gathered in manuals." Over the past few years, this relationship has gradually become generally accepted, intending to increase customer efficiency.

In this context, Maister (1993:3) says: "There are three basic common elements to the mission of service providers, including consulting firms: communication, satisfaction, and success. The management of these professional service companies is expected to strike the right balance between demand in the customer market and actual demand in the labor market."

It is worthwhile to get to know McKinsey & Company's opinion (Poór, 2010). Six factors explain why consultants are needed. Consultants have competencies that the client does not have.

- They have the knowledge of adapting successful methods.
- Sufficient time is devoted to studying the problem being investigated.
- They have a good professional background.
- They are independent.
- They are able to formulate actions to facilitate their implementation.

New reasons (Emerging drivers)

In addition to the previous section, several new trends have emerged in the management field, making it essential to employ consultants. Among these, we would like to highlight the following without an exhaustive list.

The number of so-called structural funds related to pre-accession (e.g., PHARE, TACIS) and subsequent preparation and implementation support requirements in Hungary and the Eastern European area expanded dramatically due to Hungary's and the region's EU accession (Zubka, 2007). During the EU programming period 2014-2020, these demands produce additional primary needs.

The development of new methodologies and approaches to transforming government administration (e.g., New Public Management) has assisted and enhanced the employment of consultants.

According to certain studies, small and medium-sized businesses (SMEs) are beginning to appreciate the value of managerial expertise. However, it has the potential to create new niches for management consultants. Despite these findings, we must recognize that these firms do not seek to consult in many cases due to financial and austerity concerns.

In recent decades, as in other areas of the economy, the consulting profession has become highly internationalized. The internationalization of the consulting profession has also been greatly facilitated by the rapid acceleration of globalization of capital and human capital, including knowledge, in the business world (Blahó et al., 2021).

The dramatic development of information and telecommunications technology (IT) has left no area unaffected, including the consulting industry. While previously, the expertise in the consultant's mind and the experience gained over the years were sufficient, there is now little to gain. Advanced IT skills are also needed to meet customer needs best. Many companies are therefore beginning to establish closer relationships with computer system vendors and software companies, jeopardizing their former independence. This partnership does not pose a threat until the consultants lose their objectivity. Some consultants believe that only in this way can system integrity be provided. It should be noted that IT consulting has become the third central consulting service area in the world and Europe.

Pandemic and unstable economic situation: The pandemic has presented many challenges to consulting organizations and forced them to rethink their business strategy. The current digitalization trend and adoption of technologies have become vital in helping businesses survive during these challenging times. These technologies have affected everyday work by bringing their clients and their work closer. The consulting industry was one of the first ones to introduce telecommuting after the outbreak of the coronavirus in order to preserve the health of the consultants and their clients. After the pandemic, they switched to hybrid solutions. According to Andrew Duncan, CEO of Infosys Consulting in the UK, these developments are redefining consulting industry models (Consultancy.uk, 2021). The shift to telecommuting has provided organizations with a unique opportunity to tap into a new pool of consulting talent previously unavailable. This will continue in the new normal, with consultants expected to deliver seamless multi-geographic transformation projects using a hybrid model of onshore and off-shore teams. At the same time, it can be seen that digital renewal goes beyond video conferencing and collaboration tools. Programmes become immersive and interactive, using avatars and disruptive technologies for virtual breakout sessions, one-on-one interaction, and supervisory connectivity. According to the conclusions of the empirical research of Tavoletti (2021) and his research group, the success of MCFs primarily depends on their ability to create and manage the innovation ecosystem.

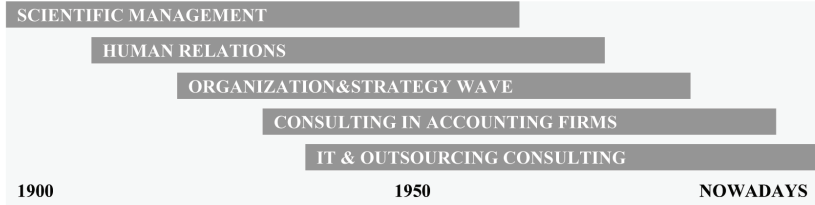
All in all, today's modern management approach on the part of clients requires consultants to ensure the right balance between professional and human relations in their work.

Evolution of consulting work in business as well as its typical methods

This time, it is essential to express our agreement with Kipping (2002:25), who believes that "when looking at the history of the development of consulting, one must not lose sight of and separate from the development of management practice and theory".

Nowadays, consulting embraces almost every area of business. Its focus areas have changed significantly recently (Poór et al., 2022). From its inception to the present, consulting development can be discussed in several divisions, as presented in Figure 1 below.

Figure 1 Five waves of development in management consultancy



Source: Authors' editing based on Kipping, M. and Clark, T. (2012)

Scientific Management view

The most significant and longest-standing trend was the School of Scientific Management, having influenced the field for nearly eighty years. The main reason for its creation was the growing need for efficiency assessment and improvement in management and other areas of economic life.

In the following part, we consider the following points to be important in terms of consulting.

With industrialization, there was a growing need for professionals with the proper management knowledge, skills, and vision to “guide” organizations. The decisive period of this trend was between 1900 and 1950. The forerunners in corporate consulting were F. Taylor, L. Gilberth, and H. Gantt. Frank B. Gilbreth was a prominent figure in Scientific Management and the founder of one of the first professional management consulting firms, Gilbreth Corporation, in 1901. Other prominent representatives were the Bedaux, Emerson, and the Maynard companies. Their work led to the emergence of so-called “efficiency experts” in American companies during World War I. The significant production boom in World War I provided a favorable environment for external experts specialized in developing different production methods, standardization, and sourcing. (Kipping-Clark, 2012).

In Europe, Lydon Urick and Charles Bedaux were the first pioneers in consulting.

Human Relations view

The second wave was the trend of human relations in the 1920s. Its best-known representative, George Elton Mayo, noted the relationship between efficiency and mental health and suggested reducing work-related stress. His approach can be linked to the emergence of employee interviews and the development of specific counseling techniques (Block, 1981).

Eric Lansdown Trist (Kipping-Clark, 2012) was also a significant representative of the trend. His purpose was to act as a consultant to help organizations grow and adapt scientific results through action research.

Strategic and Organization view

With the transformation of management, organization and strategy have come to the forefront. The main drivers of this trend were the increase in company size, the spread of decentralization, and portfolio-based planning.

Early evolution

Even at the beginning of the last century, internationally renowned, so-called 'classic' organizing consulting firms like Booz Allen, McKinsey, A. T. Kerney, and Boston Consulting Group emerged. Along with the scientific leadership school, Business Research Services, founded by Edwin Booz, began its work in 1914. In 1926, James O. McKinsey started his own company, McKinsey & Company. Just before he died in November 1937, he said: "It is much harder to make business decisions than to get paid for the advice that underlies them" (Kipping-Clark, 2012).

The scope of these consultants has been significantly expanded and improved from the start due to several influencing factors. In 1960, Bruce Henderson formed the Boston Consulting Group, a well-known strategic consulting firm. In this context, it is worth mentioning that many other strategy consulting firms were established during this period, including Bain & Company, Planning Associates, Braxton Associates, LEK Partnership, and Monitor Co.

Today's view

In the '50s, behavioral knowledge was applied to solve organizational problems, which led to Organizational Development (OD), the foundation of process consulting.

The work of an OD consultant is characterized by looking for self-propelled, self-directed solutions. In addition to serving traditional organizational efficiency, they aim to provide opportunities for human fulfilment by emphasizing cooperation. In addition to a quick solution, an adaptive, self-learning organizational solution must be sought.

An essential aspect of OD-type process consulting is that changes are implemented not only with the help of decision-makers at a higher level but also by the organisation's members directly involved in the change process.

Accounting view

Large international audit firms established their management consulting departments in the 1970s (the "Big Six": Arthur Andersen, Pricewaterhouse & Coopers, Deloitte & Touche, Ernst & Whiney, Arthur Young, KPMG). Their consulting departments have already outperformed their auditing divisions in recent years.

Evidence-based approaches

Consulting has always had the task of proving its *raison d'être*, which is why it has always been fact-oriented. At the same time, relying on the current state of the

IT technological background, it is possible to talk about organizations and the impact of consulting along much more qualitative approaches (Poór et al., 2022).

IT and outsourcing view

Over the last decade, the information and communication revolution has significantly influenced consulting development. The management consulting departments of large audit firms have become key players in this development phase.

As early as the 1990s, consulting firms realized that new information and communication technologies not only offered them an opportunity but also had to face considerable challenges. IT consultants often found that the problems being investigated, due to their complexity, could not be solved on a purely technical basis.

In the context of such consultancy projects and related ancillary services (e.g., software sales and application) directly related to them, it was suggested in the early 1990s that these activities should be organized into a separate division.

Since the Enron scandal (2001), we have known that this solution is inadequate and ineffective. At IBM and other IT companies (Capgemini, EDS, etc.), the merger of consulting and software and hardware is not yet being challenged by the business world, but that does not mean that conflicts of interest will not occur in the future. One of the most notable changes in recent times has been the sale of their consulting departments by significant audit firms. In the meantime, almost every major IT company has tried to participate in the acquisition of the consulting departments of auditing firms.

Digitalization

From the view of management consulting, IT consulting must rely on management science much more than computer science. "Real" IT is consulting services that support business, operation, strategy, organization, management, manager, and user using the IT toolset rather than selling, implementing, or operating a particular IT solution.

At the same time, information technology is one of the central scenes of today's technological development. Here the pace of development is dizzying. Moore's famous law has been in effect since the 1960s, according to which the number of active elements on silicon semiconductor chips doubles every 18 to 24 months. According to technological predictions, Moore's Law will be enforceable for three to five years. (Whenever the silicone tile becomes - at its atomic level - more profound, unmanageable, and unsuitable for further development. At the same time, there is no doubt that humanity will always find its way into development.)

IT consultants, among other things, are needed because

1. evolution must be followed, at least in some way: sooner or later, it must be adapted to the technological map drawn every one or two years,
2. There are also particular dangers to the development that have just been described as dizzying, and here are just a few:
 - developers appear with less mature technology products,
 - should quickly recover the cost of development,
 - application development has traditionally lagged behind technology and is likely never to be able to bring in many years of "delay",
 - Excited users and employees often expect miracles.

Robotization

According to The Economist 2014 research: "... in the next 20 years, half of the jobs may be lost, and new skills and qualifications will be created in parallel. Of the ten current kindergarten students, seven will work in positions that do not exist today. New companies are born, they take the lead very quickly, and future leading companies do not exist today." [1]

AON Hewitt's analysis shows that 30 percent of the activities can be done virtually, with an estimated 1.3 billion people working online. Organizations are getting smaller, more transparent, more democratic, and more diverse, and the era of "freelance" workers may come. The future leader will be much more "human" than today's leaders. Viewpoints change, and sustainability comes to the fore. [2]

New technologies can create opportunities for low-capital workplaces, i.e., the proliferation of Internet-based jobs, and remove barriers such as distance barriers for employees and employers. These projections play a decisive role in human resources, as the use and role of human capital are facing radical changes. HR managers, decision-makers, and company managers must be prepared for these changes, regardless of the company profile and size. Investigating and analyzing Industry 4.0, the technological change affecting and affecting the future workplace, provides an essential basis for considering and restructuring areas of HRM in depth.

It is inevitable to analyze the factors creating and influencing the new economic system, which should be considered when drawing up long-term plans.

Among these factors, the key ones include

- Concentration of capital may continue to increase global wealth
- Income disparities may increase further
- Return on investment in terms of capital and technology is generally better than for labor
- Future technology may replace some of the human work
- Preparing for long-term structural unemployment becomes emphasized

Regional differences

We have opted for comparing Asia and the CEE region, with a special focus on Slovakia, to discover some of the regional differences.

Asia

Consulting has long been a privilege for Americans and Western Europeans. Except for projects supported by international financial institutions and organizations, in recent years, few opportunities have been around for external consultants in Asia besides the former English colonies, Australia and New Zealand. In this environment, it has not long been accepted to employ external experts to solve corporate problems. However, it should also be borne in mind that in Japan, efficiency gains (e.g., kaizen) and quality work (such as TQM) have long been greatly assisted by both central and corporate tools. Today, the situation described above has changed significantly. Local and foreign consultants are starting to integrate into the daily life of Japanese companies. In other parts of Asia, consulting is more in its early stages, but the number of newly formed consulting firms is multiplying.

CEE region

If we had asked high school students from various eastern European nations 15-20 years ago what job or profession they wanted to pursue, they would have said physicians, lawyers, sports, travellers, and teachers, with management consultants being the exception. It was only reasonable, given that the general public in these nations knew relatively little about this topic at the time. There are minor or more significant differences in development in the consulting practices of the various Central and Eastern European countries due to traditions, the level of economic development of a particular country in the region, and the different degrees of centralization of the previous economic and political system.

Prior to the political developments of the late 1980s, most Eastern European nations' consulting services were provided by government-controlled sectoral research institutions, universities, or divisions of specific ministries. The International Labor Organization (ILO) and the United Nations organization, UNIDO, have assisted most nations in establishing central management consulting institutions. The characteristics of modern management consulting were just traces in these nations under the previous system. The features of the previously indicated trend of scientific leadership were present in most cases.

Consulting on privatization has grown dramatically in all nations since the regime change. Consultants have played a significant part in creating and implementing numerous projects, with billions of euros flowing into these nations under the European Union's PHARE program. Consulting associations have been founded in practically all nations, thanks to the European Federation of Management Consultancies Association (FEACO, 2013). Kubr's writings and publications, mentioned before (1996), were translated into various languages. Despite the significant growth, Eastern Europe remains a small portion of the European consulting business. Although the global slump in consulting has scarcely been seen in our region in recent years, consulting is now one of the most rapidly growing financial services in Eastern Europe.

Of course, a major global event, such as the present economic slump, will influence these nations' consulting industries. However, their primary focus will remain on identifying and solving regional problems.

An overview of Slovakia in the CEE region

The first long-established international consulting companies, including Ernst & Young, KPMG, and PriceWaterhouseCoopers, began settling in Slovakia in the early 1990s. In the beginning, the consulting companies mainly helped expand large international companies in Slovakia; in many cases, the consulting companies followed their clients to the region. In Slovakia, as in many countries around the world, consulting activities are not regulated by law. Anyone can set up a consulting company without a separate special consultant qualification if they meet the general economic and financial conditions for establishing a business.

At the end of the 1990s, the purposeful creation of an investor-friendly business environment began in Slovakia. The government's comprehensive reform measures targeted the banking system, the tax system, the pension system, the healthcare system, the social system, and the labour market (Mikloš, 2008). In 2004, it joined the European Union, the other V4 countries, and six other states. In the following years, the inflow of foreign working capital accelerated significantly.

In the years before the EU accession, the use of consultants in the public sector increased significantly due to the implementation of the accession criteria and the promotion of access to the PHARE programme. In the years after the accession, institutional and legal harmonization and access to EU funds were made available.

Nowadays, the Slovak consulting market shows a very colorful and dynamically growing and expanding picture. Many traditional and innovative forms of business consulting are now an integral part of the Slovak business environment.

In addition to the local subsidiaries of the largest global consulting companies, significant players in the Slovak market are the big domestic consulting companies, SMEs, and freelance consultants (Sedmina, 2016; Kadlečková et al., 2017).

There are few empirical research and scientific articles on the Slovak consulting industry in scientific literature. Data on the size and other parameters of the Slovak management consulting market can be obtained from the results of the regional surveys conducted by global research centers. Unfortunately, Slovakia has not been included in the survey conducted by the European Federation of Management Consultancies Association (FEACO) since 1994.

According to Source Global Research, the Slovak market accounts for 8% of the CEE region's MC market, with 280 million dollars in annual sales.

The most prominent consulting organization in the country is PWC Slovakia, with 47 million euros as annual turnover. PWC has been operating in the Slovak market since 1991 with two offices, in Bratislava and Kosice, employing 770 people altogether.

Leadership and management of consulting companies

Objectives of consulting companies

Any enterprise is a human activity whose primary goal is to satisfy customer needs while generating profit. Companies are considered separate legal entities with a legal personality that does business (Chikán, 2003). A list of traits that knowledge-driven consulting firms typically exhibit is summarized as follows (Løwendahl, 1997).

- Professionals and their experience produce new value instead of machines and technology.
- Professional reputation and experience depend more on individuals than corporate skills as essential business competencies.
- Unlike traditional businesses, such as manufacturing, sales, and service organizations, consulting firms must compete not just for exceptional professionals but also for clients.
- These businesses' products are innovative rather than material, and customer expectations greatly influence service quality.

These elements make managing consulting organizations extremely challenging.

Having a professional or team that can create a corporate culture to handle the "herding wild cats efficiently."

Specific features

It is worthwhile to consider the following issue at the beginning: Are consulting businesses comparable enough or distinctive enough to exclude them from the standard principles of corporate governance?

The profession's response to the query is that, while consulting firms' economic and financial issues are not vastly dissimilar from regular businesses, they have a few unique characteristics because of their unique service nature. Let us list what precisely these traits are.

The outcome of the service is typically not a physical product but rather a non-tangible service, namely, advice. Most works are project-based. Most personnel are highly qualified, and the personal costs of consultants make up a significant portion of a company's cost structure.

The other issue is: Do consultants respond to business difficulties the same way as their clients? These businesses are continually learning about the issues of new clients through their regular work and the people they deal with. Even consulting companies make mistakes at times, just like their clients. Businesses, particularly consulting firms, must balance the four essential factors: monetary resources, industrial processes, human resources, and the market.

The subject of effective resource management has long been discussed in management literature. Different schools stressed the role of resource management to a different extent.

While it is not a simple task to gain the human resources that make up a consulting firm's renewal and find skilled, resolute employees, the acquisition of technology or even capital is a relatively more straightforward process. Human resource management is becoming increasingly more recognised as a managerial function and a key component of company competitiveness, particularly in management consulting.

Strategy

No business can run efficiently over the long term in a constantly changing world without a sensible strategy. A strategy in consulting was just not necessary 15-20 years ago, but businesses were nevertheless able to capitalize on new prospects. Consultants can no longer afford this luxury due to the drastic changes in market opportunity.

What solutions to the issues above does strategic management science provide? The strategies of consulting organizations rely heavily on their human resource capabilities. Successful businesses often employ one of the following three competitive strategies: customer-oriented, solution- or result-based, and creativity-based.

According to Porter (1980), these strategies are not mutually exclusive. As one of Porter's students, Lowendhal (1997) explored this area, saying that different strategies require different organizational and management solutions.

Numerous strategic alternatives have emerged in the domestic consulting industry (Kulcsár et al., 2022). So, among other things, we have seen the following possible ways in consulting practice:

"Everything for everyone strategy": This approach is carried out in two distinct ways: In the first, the organization provides its services across all consulting branches at the same level of intensity, standard, and cost. Niche businesses frequently strive to offer similar knowledge-based services to each client, making no distinction between big and small or services given to giant multinationals or domestic SMEs.

"Everything for everyone", below or above a specific size limit: The so-called boutique mindset embodied by big, international consulting companies is considerably

more widespread than what was just discussed. They provide their services throughout the consultancy board but avoid working with small businesses or orders. Another component of this approach is that the business is active across the range in consulting but, for instance, exclusively provides services to SMEs. A small business-boutique attitude is attempted to be used by attorneys, tax advisors, or financial advisors. When their clients exceed a particular scale, large worldwide speciality enterprises frequently attempt to provide one or more comparable knowledge-based services to them.

We have various strategies to set ourselves apart from the competition at the industrial level. We can focus on one of these two options in a particular market sector and attempt to outperform our rivals, for instance, by manufacturing our goods and services at the lowest possible cost or by emphasizing the highest quality or prestige of our goods and services in the market competition.

Different management requirements for consulting firms apply to the aforementioned strategic possibilities.

Each manager strives to achieve. Consultants are no different in this regard. The growth plan is, without a doubt, the most preferred approach among managers and consulting company owners. In this instance, there are two potential alternatives to corporate expansion. The first is that a business can expand inside its industry through vertical or horizontal integration. This entails reaching an increasing number of clients with products and services. For instance, industrial corporations were specific businesses for quality consulting in previous decades. Many service providers (schools, hospitals, and banks) seek specialist businesses to complete their orders for ISO system certification or TQM reform programmes. The other alternative for growth is diversification.

The company's achievement of solid growth is a crucial component of development that offers stability. Aldrich and Fiol (1994) previously called it 'fear of the reliability of the new', and the fear of classic changes also plays a part in this process when a company plays for safety. It functions with little investment and keeps within the parameters of primary corporate objectives. This action plan aims to boost productivity across all functional areas, including human resource management. For instance, enhancing performance management and consistently adhering to staff budgets might improve efficiency. This approach is typical for most consulting businesses currently operating under challenging conditions. Such businesses do not anticipate considerable growth in staff.

Realignment-downsizing is the third most frequent substitute for corporate expansion. This tactic frequently leads to the company's disintegration and insolvency. No one likes this version since it goes against the present logic of economic life, which is built on expansion, yet it does exist everywhere.

Due to the market's rapid expansion, the advising sector has, for the most part, avoided layoffs thus far. Naturally, earlier decades' expansion has ended, forcing many consulting firms to restructure or close down. Only organizational units that can operate more efficiently will be able to survive after restructuring. Even in these situations, it is likely that "slimming" will result in a significant drop in the number of departed workers.

The extensive usage of e-commerce in this sector may lead to fresh waves of outsourcing or rebuilding.

A consulting firm can create its product and service profile in various ways. Regardless of the strategy, organizational structure, or clientele, the consultant's or consulting firm's function is still the same. It is always the consultant's responsibility to bring about change in the given environment, whether human or technology, for

a specific person, a larger group, or both. The company can select a generalist or, allegedly, specialist guidance. Inquiry consulting, however, is becoming more and more common in the CEE area, according to practice (Poór, 2016). In the first situation, it accepts all assignments regardless of sector and function, but it can also specialize in functions (such as strategic management, organizational development, marketing, etc.); sectors (such as banks, the automotive industry, etc.); a method (such as BPR = Business Process Reengineering, Organization Development, etc.); organization- and country types (e.g., small businesses, developing countries, US clients abroad).

Even the most renowned global consultation businesses cannot provide the same quality of service in the field of approximately one hundred consultancy tasks, as we have previously noted. The most successful divisions of these firms include strategic, financial, organizational development, production-operation, quality, information technology, and personnel consultancy. Potential business lines might include various services besides legal consultancy (such as education, press product creation, etc.). Smaller businesses tend to specialise to a greater extent. Typically, they concentrate on one or two topics.

Prospects for the future

An international service sector that is rapidly expanding is management consulting. Its expanding role can be attributed to the fact that more and more businesses require highly skilled outside professionals to compete in a well-defined sector. Strategic consulting is likely to grow, and some services could take on more significance. Strategic consultancy will continue to play a significant role in economic life shortly as more individuals accept its use.

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