

DISSERTATION

MANAGEMENT CONSULTANT LIABILITIES DURING THE PROCESS OF ASSISTING ORGANISATIONS WITH STRATEGISING

by

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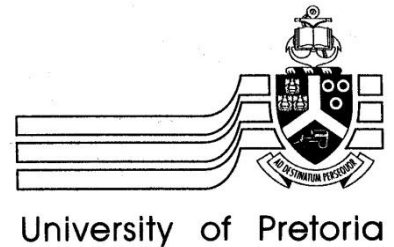
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TABLE OF CONTENTS

ABSTRACT.....	VI
ACKNOWLEDGMENTS.....	IX
CHAPTER 1: INTRODUCTION.....	1
1.1 BACKGROUND.....	2
1.2 PROBLEM STATEMENT	4
1.3 PURPOSE STATEMENT	5
1.4 RESEARCH OBJECTIVES	5
1.5 IMPORTANCE AND BENEFITS OF THE STUDY	6
1.6 DELIMITATIONS AND ASSUMPTIONS	7
1.7 DEFINITION OF KEY TERMS	8
1.8 DEFINITION OF ABBREVIATIONS	11
1.9 CHAPTER OVERVIEWS	11
CHAPTER 2: STRATEGY-AS-PRACTICE	15
2.1 INTRODUCTION.....	16
2.2 ORGANISATIONAL 'DNA'.....	17
2.3 CLASSICAL STRATEGY THEORY	18
2.4 RESOURCE-BASED VIEW	19
2.5 LEARNING SCHOOL.....	21
2.6 PROCESS THEORY	23
2.7 THE 'DNA' OF MICRO STRATEGY	24
2.8 THE LINK BETWEEN CONSULTANT'S LIABILITIES AND STRATEGY-AS-PRACTICE.....	34
2.9 CONCLUSION	35
CHAPTER 3: THE HISTORY OF LIABILITIES AND STRATEGY.....	36
3.1 INTRODUCTION.....	37
3.2 THE GREAT DEPRESSION	37
3.3 WORLD WAR II.....	38
3.4 CONTEMPORARY SOCIETY	38
3.5 THE TWENTY-FIRST CENTURY	39
3.6 THE INTERRELATIONSHIP	44
3.7 CONCLUSION	45

CHAPTER 4: METHODOLOGY AND FINDINGS	46
4.1 INTRODUCTION.....	47
4.2 RESEARCH DESIGN.....	47
4.3 FINDINGS	58
4.4 CONSULTING PHASES	89
4.5 MODERATING AND MEDIATING FACTORS	93
4.6 CONCLUSION	94
CHAPTER 5: RESEARCH PAPER 1	95
5.1 INTRODUCTION.....	96
5.2 RESEARCH DESIGN.....	99
5.3 STRATEGY-AS-PRACTICE.....	103
5.4 SYNTHESIS OF LIABILITY LITERATURE	104
5.5 MEDIATING OR MODERATING FACTORS.....	117
5.6 CRITICAL DISCUSSION OF FINDINGS.....	118
5.7 CONCLUSION	121
CHAPTER 6: RESEARCH PAPER 2	122
6.1 INTRODUCTION.....	123
6.2 PHASE 1: INTEGRATIVE LITERATURE REVIEW	125
6.3 PHASE 2: METHODS	128
6.4 EMPIRICAL EVIDENCE FROM THE INTERVIEWS.....	131
6.5 DISCUSSION OF THE EMPIRICAL EVIDENCE	144
6.6 CONCLUSIONS.....	148
CHAPTER 7: CONCLUSION	151
7.1 INTRODUCTION.....	152
7.2 DISCUSSION OF FINDINGS.....	153
7.3 CONCLUSIONS.....	159
7.4 IMPLICATIONS.....	159
7.5 LIMITATIONS.....	160
7.6 RECOMMENDATIONS FOR FUTURE RESEARCH	161
7.7 TO CONCLUDE	161
CHAPTER 8: LIST OF REFERENCES	163

APPENDICES

APPENDIX A: TITLE REGISTRATION	177
APPENDIX B: INFORMED CONSENT FORM	178
APPENDIX C: ETHICAL CLEARANCE.....	180
APPENDIX D: PROOF OF ARTICLE ACCEPTANCE	181
APPENDIX E: PROOF OF ARTICLE SUBMISSION	182

LIST OF FIGURES

Figure 1.1:	The elements that together constitute Chapter 1 of this dissertation	1
Figure 1.2:	The flow between the various chapters that together constitute this study	11
Figure 2.1:	The elements that together constitute Chapter 2 of the study	15
Figure 2.2:	The sequential and deliberate process of strategising as prescribed by the Classical School of strategy theory	22
Figure 2.3:	A conceptual framework for analysing Micro Strategy DNA	25
Figure 2.4:	Micro Strategy DNA.....	28
Figure 3.1:	The elements that together constitute Chapter 3 of the study	36
Figure 3.2:	The interrelationship between the five elements	44
Figure 4.1:	The elements that together constitute Chapter 4 of the study	46
Figure 4.2:	Successful strategising is dependent on the fit between the consultant, organisation and context	78
Figure 4.3:	The consulting phases	90
Figure 5.1:	Successful strategising: the fit between the consultant, organisation and context	114
Figure 5.2:	Theoretical management consultant liabilities framework	120
Figure 6.1:	The observed liabilities that management consultants face while assisting organisations with strategising, including the observed relationship between the liabilities	146
Figure 6.2:	Conceptual liabilities framework.....	149
Figure 7.1:	The elements that together constitute Chapter 7 of the study	151
Figure 7.2:	The observed liabilities that management consultants face while assisting organisations with strategising, including the observed relationship between the liabilities	155
Figure 7.3:	Management consultant liabilities framework.....	158

LIST OF TABLES

Table 1.1:	The methodological assumptions made during this study	8
Table 1.2:	Abbreviations used during this study	11
Table 2.1:	Typology of Micro Strategy research as identified by Jarzabkowski and Spee (2009)	32
Table 3.1:	Timeline depicting the interrelationship between environmental change, management consultants, corporate strategy theory and liabilities.....	41
Table 4.1:	A summary of the research design	48
Table 4.2:	Interviewee demographics in the study	54
Table 4.3:	The seven-point liability rating scale.....	56
Table 4.4:	Liabilities identified from consultant interviews and associated quantitative data.....	58
Table 4.5:	Liability matrix.....	60
Table 5.1:	Summary of the research on which this article is based.....	98
Table 5.2:	Works on consultant liabilities, liability pre-conditions and the associated mediating and moderating factors	102
Table 6.1:	Consultant liabilities and their associated mediating and moderating factors in academic works	126
Table 6.2:	The seven-point liability rating scale used during individual interviews with consultants.....	130
Table 6.3:	The liabilities identified during consultant interviews and associated quantitative data	132
Table 6.4:	Liability matrix.....	134

LIST OF PLATES

Plate 1:	Raw Data.....	183
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MANAGEMENT CONSULTANT LIABILITIES DURING THE PROCESS OF ASSISTING ORGANISATIONS WITH STRATEGISING

ABSTRACT

Management consultants experience numerous hindrances to the successful completion of strategy projects. Hindrances create an inability to strategise and are the result of inability preconditions. These preconditions accumulate into liabilities that not only limit the management consultant's ability to earn economic rents, but also that of its clients. Liabilities are rooted in the resource-based view and stem from previously identified liabilities such as the liabilities of newness and legitimacy.

The consequences of unmitigated liabilities in the process of strategising are, however, not limited to the loss of economic rents. Unmitigated strategising liabilities will further result in prolonged competitive disadvantage. Combined, these consequences transform the liabilities into a strategic liability for the management consultant's client, which could bring about business failure.

While academic literature is full of articles investigating the consultant–client relationship, 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 both Domain H and Domain G of Strategy-as-Practice research that has been earmarked as future directions in this field, 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.

The primary objectives of the research that informs this dissertation are to:

- Identify liabilities that consultants face during the strategising process;
- Determine interrelationships between the relevant liabilities;
- Identify possible mediating and moderating factors associated with the relevant liabilities;

- Determine to which extent the relevant liabilities are experienced by consultants;
- Develop a conceptual framework for mitigating the liabilities

The research that informs this dissertation was undertaken from a Strategy-as-Practice perspective and is presented in three research articles.

The first research article is based on research that set out to establish a theoretical baseline for the two subsequent articles. 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.

Semi-structured interviews were subsequently conducted to determine the practical relevancy of the theoretical liabilities framework which resulted from the first article. Snowball sampling was used and a saturation point was reached after 17 semi-structured interviews were conducted with practising consultants. The results of this research informed research article two.

The research on which this dissertation was based contributes to the accumulation of Strategy-as-Practice knowledge. Used correctly, the resultant framework could reduce the number of management consultants with an inability to strategise successfully.

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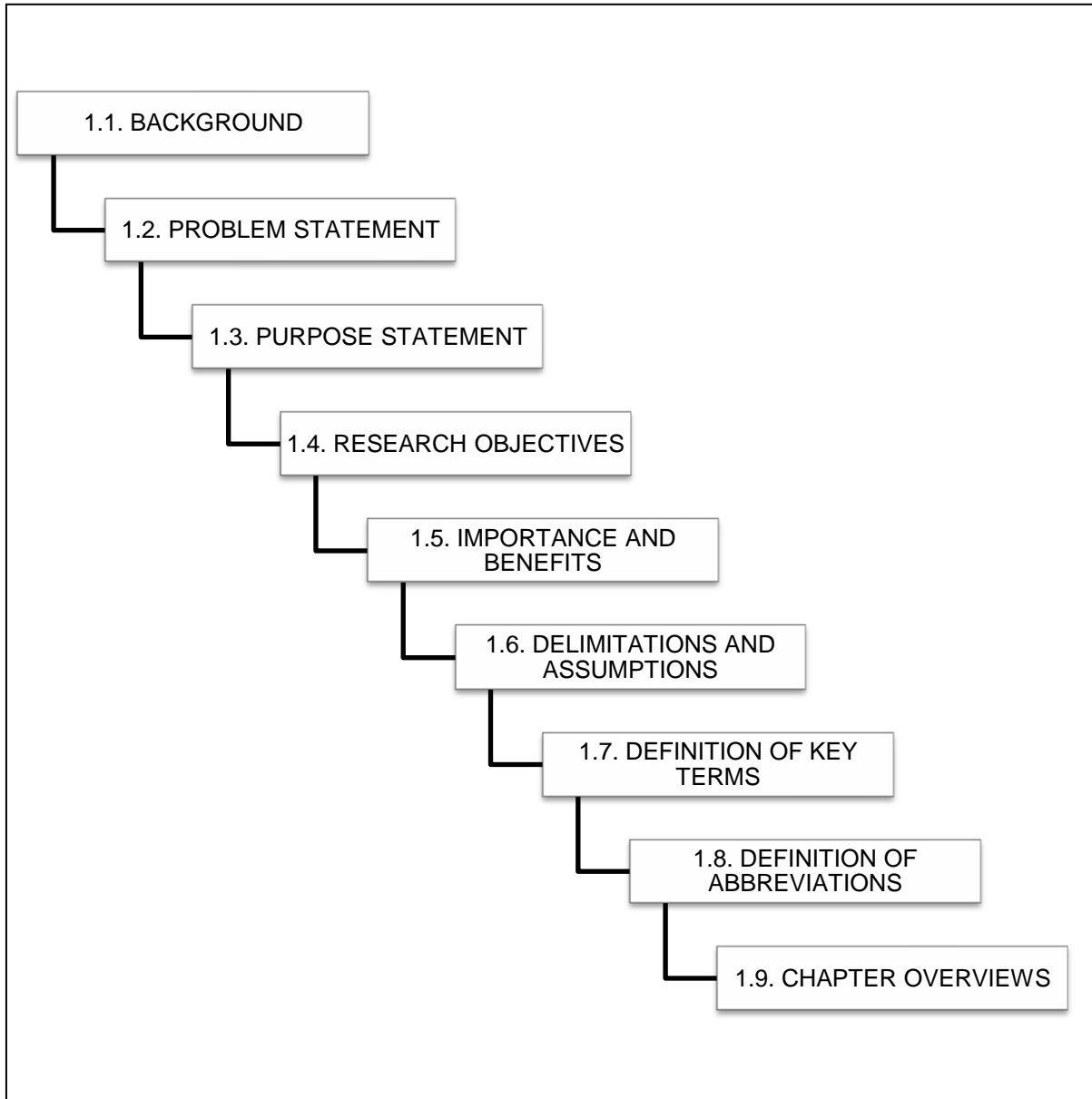
- Prof. Marius Pretorius, my supervisor, who undertook to supervise me despite his many other professional and academic commitments. He motivated and inspired me throughout this journey with enthusiasm, encouragement, and a resolute dedication.
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This dissertation is dedicated to my son, Christiaan Marx Stander.

CHAPTER 1: INTRODUCTION

Figure 1.1 indicates the elements of the study as they are discussed in Chapter 1 and shows how each element flows into the next.

Figure 1.1: The elements that together constitute Chapter 1 of this dissertation



1.1 BACKGROUND

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, Martin and Powers, 2008).

Quantifying the above 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 deems consultants as problem solvers and change agents (Antal and Krebsbach-Gnath, 2003; Canato and Giangregio, 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). According to Pretorius and Holtzhausen (2008), "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), Henderson (1999) and Mezias (2002).

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 dissertation 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 dissertation.

The dissertation 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 dissertation. The dissertation 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 (S-as-P) 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 S-as-P research.

While academic literature is full of works 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 S-as-P 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.

1.2 PROBLEM STATEMENT

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

- Micro level which refers to studies that explore an individual's or group's experience of a specific situation;
- Meso level which refers to the organisational or sub-organisation level; and
- Macro level which refers to the institutional level of the industry.

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

- Individual actors within the organisation;
- Aggregate actors within the organisation; and
- Extra-organisational aggregate actors.

Consultants form part of the third group, namely the extra-organisational aggregate actors. The above-described consultant's liabilities, their interrelation and possible resultant negative effect on a firm's performance constitute the meso-praxis of this study, while the consultant's ability to formulate, implement and adjust a strategy constitutes the micro-praxis of the study (Domains G and H as described by Jarzabkowski and Spee (2009)).

According to Jarzabkowski and Spee (2009), domains G and H have been neglected in both empirical and theoretical strategy research thus far. The authors indicate that only one empirical study has been done on Domain G while no studies have been done on Domain H, stressing both domains as future directions of S-as-P research.

Due to the lack of research in these specific domains the following questions remain unanswered:

- "What are the consultant's liabilities in the process of strategising?"; and
- "To which extent do consultants experience the relevant liabilities?"

The problem statement for this study can therefore be formulated as a lack of knowledge and understanding of what the hindrances (liabilities) are that affect a management consultant's ability to successfully assist organisations with strategising. Based on this research problem a purpose statement and several research objectives have been formulated. These are discussed in the following sections.

1.3 PURPOSE STATEMENT

The purpose of this study is to formulate and introduce a framework which will enable management consultants to understand the liabilities they are most likely to encounter in the process of assisting organisations with strategising.

1.4 RESEARCH OBJECTIVES

The specific objectives to be achieved during the study are as follows:

- RO 1:** Identify the primary liabilities that consultants face during the strategising process;
- RO 2:** Determine interrelationships between the relevant liabilities;
- RO 3:** Identify possible mediating and moderating factors associated with the relevant liabilities;
- RO 4:** Determine the extent to which the relevant liabilities are experienced by consultants; and
- RO5:** Develop a conceptual management consultant liabilities framework.

1.5 IMPORTANCE AND BENEFITS OF THE STUDY

This study on consultant liabilities in the process of strategising was undertaken from an S-as-P perspective. Various authors (Haugstad, 1999; Johnson, Melin and Whittington, 2003; Whittington, 2002; Whittington, 2007) suggest that strategy has traditionally been considered a fundamental economic discipline, which focuses on macro-level organisational operations. These authors argue that the requirements of society in the twenty-first century however, demand a closer look at:

- the composition of organisations;
- how an organisation should adapt, align and change its composition to survive and grow in the ever-changing macro-environment; and
- how the human factors involved with an organisation influence its eventual success or decline.

These requirements (*discussed in Chapter 2*) are emphasised by an insistent call from both strategy consultants and academics for an improved link between the theory of strategy and the practice of strategy. This call has resulted in the development of a new approach to strategy research, namely S-as-P (Haugstad, 1999; Johnson, Melin and Whittington, 2003; Whittington, 2002; Whittington, 2007).

From a theoretical perspective, the study makes two valuable contributions. Firstly, this study improves the link between the theory of strategy and the practice of strategy. Secondly, this study makes a contribution to both Domains G and H of the S-as-P research typology (Jarzabkowski and Spee, 2009) that have been neglected in both empirical and theoretical strategy research thus far.

From a practical perspective, this study's resultant conceptual Consultant's liabilities Framework, enables consultants to understand the liabilities they are likely to encounter, which will in turn, decrease the number of consultants with an 'inability' to successfully add value.

The Department of Business Management of the University of Pretoria, has also listed S-as-P as one of the main topics of research for students on the Master's level.

1.6 DELIMITATIONS AND ASSUMPTIONS

1.6.1 Delimitations

The study has several delimitations related to the context, constructs and theoretical perspectives of the study. These limitations include the following:

- The theoretical base for the study is S-as-P.
- The study 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 may be involved in the process of strategising in their various fields of specialisation.
- The study was specifically not limited to include only South African management consultants due to methodological requirements of S-as-P research.
- The sample sources that were utilised for the purposes of the study were limited to the sources identified in Table 1.1, therefore no other interviewees were sought for the study; and
- The scope of the study was limited to Domains G and H of the S-as-P research typology as described by Jarzabkowski and Spee (2009).
- The study's conceptual literature analysis was mostly limited to academic literature from the Ebsco-host, ProQuest, Sabinet and Emerald databases and only publications published since 1985 were utilised.
- The study was limited to the identification and determinacy of practical relevancy of the Consultant liabilities, the interrelationships between the relevant liabilities and possible mediating and moderating factors. As such, the study did not attempt to use any statistical (or other) methods to prove the existence or impact of the liabilities on the performance of consultants or firms.

1.6.2 Assumptions

The study assumed that the research objectives and their associated propositions, as listed in Table 1.1, could be addressed by qualitative research, implying that

sufficient supporting information could be obtained from the various sampling units through the use of communication research techniques. The study further assumed that the various sample sizes and sources, as indicated in Table 1.1, are statistically viable.

Table 1.1: The methodological assumptions made during this study

RO 1:	Identify the primary liabilities that consultants face during the strategising process
RO 2:	Determine interrelationships between the relevant liabilities
RO 3:	Identify possible mediating and moderating factors associated with the relevant liabilities
RO 4:	Determine the extent to which the relevant liabilities are experienced by consultants
RO 5:	Develop a conceptual management consultant liabilities framework
Unit of Analysis:	Consultant's liabilities
Sampling Units:	Expert Management Consultants
Sample Size:	Purposeful sample of 15 sampling units
Sample Source:	International independent consultants and consultants employed by multinational consulting firms.
Proposition 1:	The liabilities consultants face during the process of strategising can be identified.
Proposition 2:	The interrelationships between the relevant liabilities can be determined.
Proposition 3:	The mediating and moderating factors associated with the relevant liabilities can be identified.
Proposition 4:	The extent to which the relevant liabilities are experienced by consultants can be determined.
Proposition 5:	A framework for mitigating the relevant liabilities can be developed.

It is further assumed that it would be possible to successfully avoid and mitigate the major sources of error associated with communication research as identified by Cooper and Schindler (2008).

1.7 DEFINITION OF KEY TERMS

This study involved a number of key concepts, namely: liability, management consultant, praxis, practitioner, practice, S-as-P, as well as strategising. The manner in which these key terms were defined for the purpose of this study is considered below.

1.7.1 Liability

Liability: The combined result of barriers, disadvantages, hindrances, weaknesses, difficulties, accountabilities and responsibilities which limit an entity's ability to successfully strategise, gain competitive advantage, and earn superior economic rents (Pretorius and Holtzhauzen, 2008).

Macro level liability: A liability that originates from institutional or industry level experience of a specific situation.

Meso level liability: A liability that originates from organisational or sub-organisation level experience of a specific situation.

Micro level liability: A liability that originates from individual or group level experience of a specific situation.

1.7.2 Management consultant

Consultant: An individual or aggregate actor that influences the strategy and strategising processes of a firm but who does not have a staff role within the organisation's structure (Jarzarbkowski and Spee, 2009).

Management Consultant: "Are consultants contracted for and provided to organisations and are trained qualified persons, who assist management in an objective and independent manner" (Greienr and Metzger, 1983).

1.7.3 Practice, Practitioner and Praxis

Practice: The social, symbolic and material tools that practitioners use during the "doing of strategy" (Jarzarbkowski and Spee, 2009).

Practitioner: The people (human actors) that do the work of strategy (Jarzarbkowski and Spee, 2009).

Praxis: The flow of activity and the interconnection between the actions of, and utilisation of resources by practitioners, the organisation's actors and the organisation within which these individuals and groups act (Jarzabkowski and Spee, 2009).

1.7.4 Strategy-as-practice

Activity Based View: Focuses on explaining the origins of sustainable competitive advantage by examining the detailed processes and practices which constitute the day-to-day activities of organisational life which relate to strategic outcomes (Johnson *et al.*, 2003).

Micro Strategy: Micro Strategy is a synonym for the Activity Based View of strategy and S-as-P (Johnson *et al.*, 2003).

Strategy-as-Practice (S-as-P): An academic school of thought regarding what strategy research should seek to explain (Whittington, 2007).

1.7.5 Strategising

Strategy: In the sociological view, strategy is defined as something that people do (an activity) with stuff in society (Whittington, 2002; Chia and MacKay, 2007; Jarzabkowski and Whittington, 2008; Jarzabkowski and Spee, 2009). For the purposes of this study a strategy is regarded as the plan (stuff) an entity derives (activity) to gain a competitive advantage (society) and thereby earn superior economic rents.

Strategising: In the sociological view, strategising is defined as the actions that people take and the practices they employ to accomplish the activity of strategy (Whittington, 2002; Chia and MacKay, 2007; Jarzabkowski and Whittington, 2008; Jarzabkowski and Spee, 2009). Strategising, as referred to in this study, is defined as the formulation, implementation and control of a strategy (actions), regardless of whether emergent or deliberate in nature.

1.8 DEFINITION OF ABBREVIATIONS

Table 1.2 lists the abbreviations that were used throughout this study.

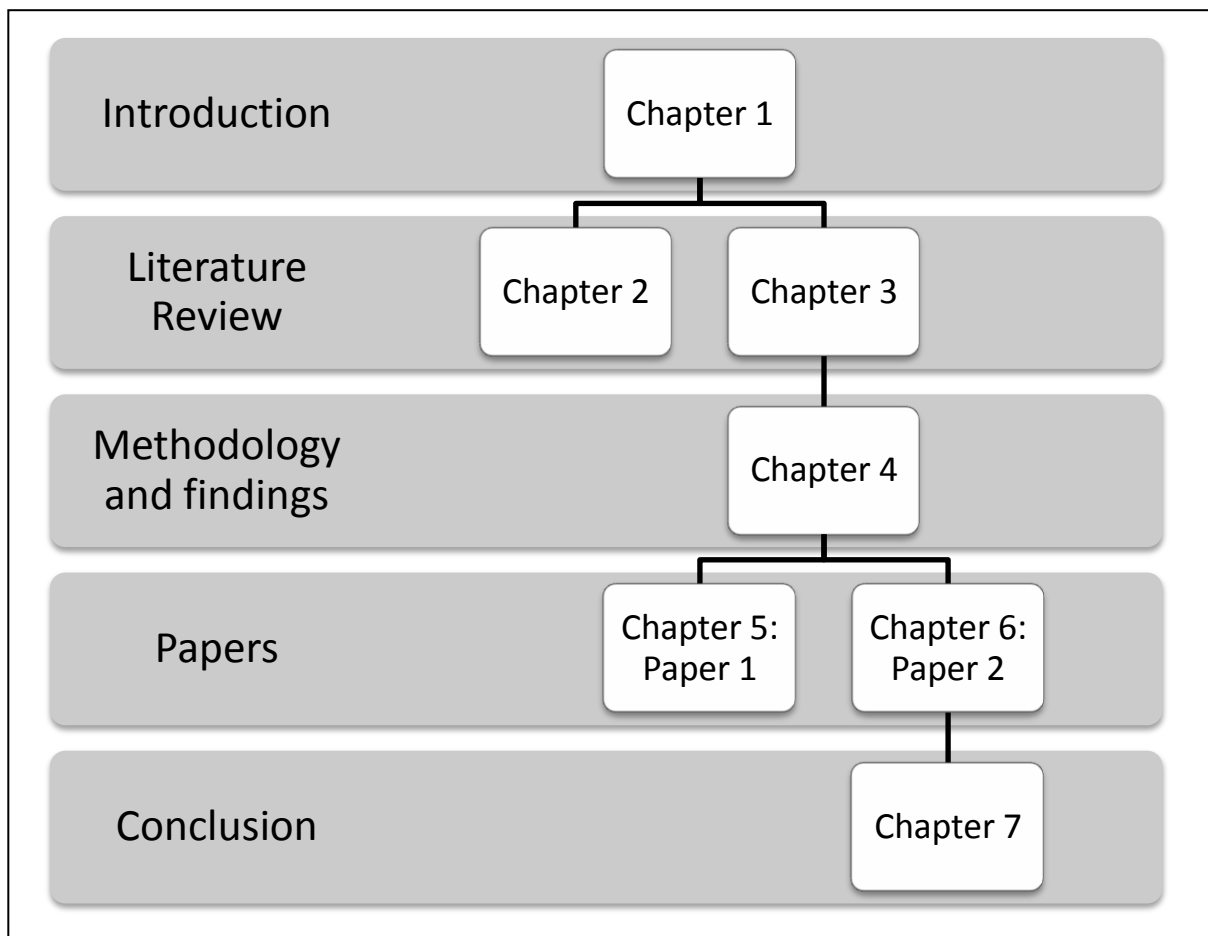
Table 1.2: Abbreviations used during this study

Abbreviation	Meaning
S-as-P	Strategy-as-practice
RBV	Resource-Based View
ABV	Activity-Based View
DNA	Deoxyribonucleic Acid
RO	Research Objective

1.9 CHAPTER OVERVIEWS

Figure 1.2 indicates the various chapters of the study and how these chapters inform each other.

Figure 1.2: The flow between the various chapters that together constitute this study



Chapters 2 and 3 of this dissertation create the context of the dissertation. Chapter 4 reports the methodology and the finding of the research that informs this dissertation. Chapters 5 and 6 report the research findings as academic works presented to two different journals for publication. This dissertation concludes with Chapter 7, which reports conclusions, limitations and recommendations for future research. Below follow short chapter overviews of each of the above mentioned chapters.

To avoid unnecessary repetition for the reader hereof, it is important to state that Chapters 5 and 6 present the same content as Chapters 1, 2, 3, 4 and 7 in a manner acceptable for publication in accredited academic journals. This implies that the reader will find that content from the dissertation chapters, may be repeated verbatim in the article chapters.

1.9.1 Chapter 2: Strategy-as-Practice

Chapter 2 introduces the reader to the theory base of this study, namely S-as-P. This chapter creatively contrasts S-as-P with classical strategy theory, the resource-based view, the learning school, and process theory. Secondly, this chapter closely examines S-as-P, specifically the three elements (practice, practitioner and praxis), the nine research domains, and the benefits and challenges of S-as-P research. This chapter concludes by linking the subject of this dissertation to two specific domains within S-as-P research.

1.9.2 Chapter 3: The history of liabilities and strategy

Chapter 3 contextualises the historic relationship between organisations, management consultants, corporate strategy theory, liabilities and major macroeconomic change. It suggests that there is a strong interrelationship between these five factors, while emphasising the lack of academic research on consultant liabilities.

1.9.3 Chapter 4: Methodology and findings

Chapter 4 firstly reports on the methodology used in both phase 1 (literature review) and phase 2 (individual interviews) of the research that informs this dissertation. Secondly, it reports on the management consultant liabilities and their associated preconditions, which, were identified during both phases of the research. Thirdly, it briefly describes the seven management-consulting phases as described by the interviewees. This chapter concludes by reporting potential mediating and moderating factors associated with the liabilities.

1.9.4 Chapter 5: Research paper 1

Chapter 5 contains Research paper 1, as accepted for publication in the African Journal of Business Management. Here follows the official paper abstract:

Management consultants experience numerous roadblocks to the successful completion of strategy projects. These typical obstacles create an 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 an S-as-P 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.

1.9.5 Chapter 6: Research paper 2

Chapter 6 contains research paper 2, currently under review at the British Journal of Management. Here follows the official paper abstract:

In 2009, the management consulting industry reported a 9% decline in their financial performance. The applied empirical research which informed this article was undertaken in an effort to provide an alternative explanation (over and above the 2.2% decline in the global market economy reported for 2009 by the World Bank) for the observed slump in the financial performance of management consulting firms. The results of the study showed that liabilities (hindrances) that limit the ability of management consultants to strategise successfully are one of the major contributors to the decline in the financial performance of consulting firms. The research was undertaken from a strategy-as-practice perspective and was conducted in two separate but interrelated phases. First, an extensive literature review aimed at identifying the liabilities discussed in academic works was done. Second, the practical relevance of the identified liabilities was determined by conducting semi-structured interviews. The findings of the study were combined in a conceptual framework which should enable consultants to identify, understand and mitigate the liabilities they are most likely to encounter while assisting organisations in strategising.

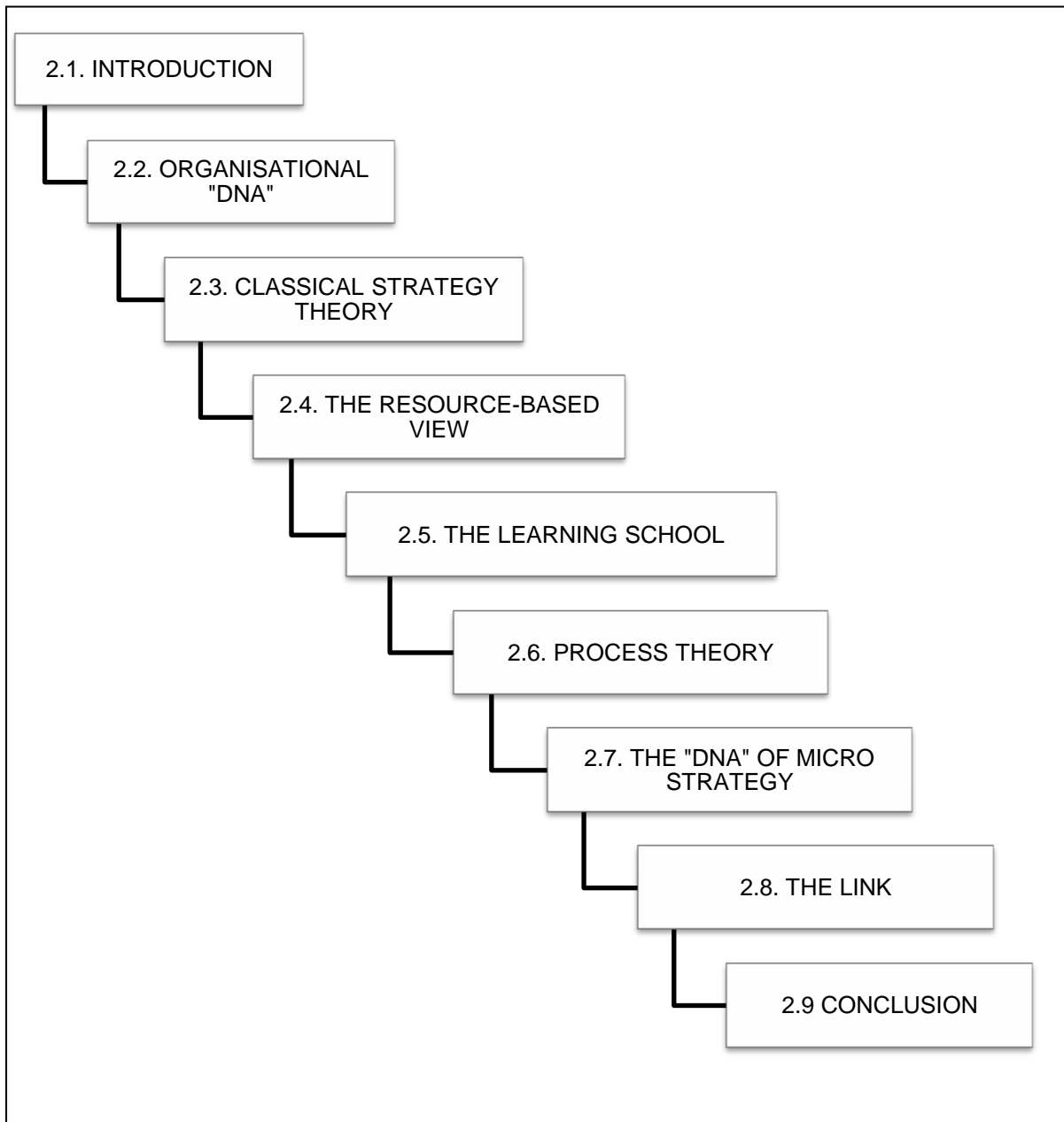
1.9.6 Chapter 7: Conclusion

Chapter 7 concludes this dissertation by firstly, presenting the reader with a summary of the research findings. The focus of this chapter then turns to the various conclusions that can be drawn from the research findings. Management implications as well as implications for existing theory are given. Various limitations of the research are briefly discussed and the chapter concludes by providing recommendations for future research.

CHAPTER 2: STRATEGY-AS-PRACTICE

Figure 2.1 indicates the elements of the study as they are discussed in Chapter 2 and graphically illustrates how each element flows into the next.

Figure 2.1: The elements that together constitute Chapter 2 of the study



2.1 INTRODUCTION

Lauded as the king of agility and adaptability, the Great White Shark is regarded as one of the great evolutionary strategists known to man. Scientists however, have mixed opinions regarding the evolutionary origins of the Great White Shark, some suggesting its origin to be that of the prehistoric Megalodon Shark, while others suggest that the Great White Shark evolved from the Mako Shark. While the debate continues even today, scientists concur that the Great White Shark, faced with a choice between survival and extinction, had to adapt to its changing environment by altering its deoxyribonucleic acid (DNA) (Wright State University, 2005).

Similar to the debate on the evolutionary origin of the Great White Shark, a debate exists in the field of Strategy. Strategy as an academic research subject is a diverse, multi-dimensional field, with numerous, fundamentally different schools of thought (hereinafter referred to as 'school'). These fundamental differences include, but are not limited to, what strategy research should seek to explain (Haugstad, 1999).

Traditionally, the field of strategy was considered a fundamental 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 Practice of Strategy, the 21st century has seen the development of a new approach to strategy research: namely, Strategy-as-Practice (Haugstad, 1999; Johnson *et al.*, 2003; Whittington, 2002; Whittington, 2007).

Firstly, this chapter examines the concept of an organisation as a 'living organism' with a uniquely identifiable set of 'DNA' while exploring 'Strategy-as-Practice' (S-as-P) as the preferred method for examining the organisational 'DNA'. Secondly, this chapter examines the elements of Micro Strategy DNA, reviews the typology of the nine widely adopted Micro Strategy research domains and identifies both the benefits and challenges of Micro Strategy research. This chapter concludes by linking the title of this dissertation: "Management consultant liabilities during the process of assisting

organisations with strategising", to two specific domains within Micro Strategy research in an attempt to successfully address the research objectives.

2.2 ORGANISATIONAL 'DNA'

The concept of an organisation as a 'living organism' is not a new one. Numerous scholars have directly drawn the analogy between the business environment and ecosystems, firms and species, organisational change and evolution (Grandy and Mills, 2004; Ho and Lee, 2008; Hobbs, 2009; Neilson and Fernandes, 2008; Tapscott and Ticoll, 2003). Others have implied such an analogy by assigning organisations natural attributes such as behaviour, imitation, survival and adaption, which only exist in 'living organisms' (Mintzberg, 1987; Porter, 1980; Porter, 1985; Porter, 1996).

The concept of organisational 'DNA' originated at Booz and Company, and is considered the new 'buzz-word' in Strategic Management by numerous strategy consultants. Truly independent, objective and substantiated literature on organisational 'DNA' does not exist, as most authors on this concept are limited to either current or former Booz employees (Neilson and Fernandes, 2003; Neilson *et al.*, 2008).

The scientific definition of DNA is therefore super-imposed on the organisation as a 'living organism', and the following definition for organisational 'DNA' is subsequently derived:

"[Organisational] DNA is the minute and unique molecule, which acts as building blocks of any [organisation] and contains the instructions needed for any [organisation] to function, to develop a [sustainable competitive advantage] and to adapt to its external environment, in order to survive" (U.S. Department of Health and Human Services: National Human Genome Research Institute, 2010) [Author's own words in brackets].

Considering the minuscule nature of DNA, it makes sense that Frederich Miescher, who studied Micro Biology, is responsible for the first observation of DNA. It can therefore be expected that a true understanding of organisational 'DNA' will be a

result of studying Micro Strategy (U.S. Department of Health and Human Services: National Human Genome Research Institute, 2010).

Micro Strategy is a synonym for the Activity Based View (ABV) of strategy and S-as-P which has not only re-introduced the actions and interactions of human actors to strategy research, but also focuses on explaining the origins of sustainable competitive advantage by examining the detailed processes and practices which constitute the day-to-day activities of organisational life and relates to strategic outcomes (Balogun *et al.*, 2003; Chia and MacKay, 2007; Jarzabkowski and Whittington, 2008).

2.3 CLASSICAL STRATEGY THEORY

Mintzberg (1998) identified ten schools of strategy theory, of which the 'Design School', the 'Planning School' of Ansoff (1965) and the 'Positioning School' of Porter (1980; 1985) together represent the 'Classical Approach' to corporate strategy theory ('the Classics').

Known as the 'embodiment of rational thinking', classic corporate strategy was traditionally studied as a fundamental economic discipline. Johnson, *et al.*, (2003) and Whittington (2007) are of the opinion that classic economic research, however, marginalised the influence of human actors on strategic outcomes and focused solely on the macro-level of organisational operations. The re-introduction of human actors into research is however, not limited to strategy and/ or economic research, but also observed in the wider 'practice turn' of social sciences (Johnson, *et al.*, 2003; Whittington, 2007).

While the Classics have significantly impacted not only the operations of organisations, but also management education during the last five decades, Micro Strategy criticises the absence of human actors and lack of comprehension of the complex micro inner workings of an organisation. The Classics have been labelled as the study of simularca – a simplified simulation of a hyper-reality, in which the origins of objects become distorted and inexact, jeopardising the distinction between true (reality) and false (hyper-reality) (Grandy and Mills, 2004; Haugstad, 1999).

In contrast with the Classics, Micro Strategy could be seen as degrading strategy through transforming this once-proud economic discipline into a mere social practice, an organised human activity, similar to that of marriage, war, law and journalism. However, by examining strategy through the 'sociological eye' (Hughes, 1971), researchers are no longer limited to only economic research methods, and are now able to dissect the complex adaptive inner systems (DNA) of an organisation and this enables the understanding of the minute origins of truly sustainable, competitive advantage.

2.4 RESOURCE-BASED VIEW

Driven by a basic need to survive, the evolution of organisations, strategy research methods, and the Great White Shark, are all the result of environmental changes which require various alterations to their DNA. These changes are effected over time by either adding the elements that are required to survive or eliminating those elements that hinder survival. Micro Strategy adds both the human and internal elements that were absent in the Classics, thereby altering the DNA of strategy research.

Micro Strategy however, is not the first step in the evolutionary process of strategy research, but builds on the Resource-Based View (RBV) of strategy. In 1984, Wernerfelt (1984) directly challenged the Classics by suggesting that firms are value-creators and that each firm has a unique value-creating capacity and it is this value-creating capacity that results in sustainable competitive advantage. This is in contrast with the Classical view of firms as value-appropriators, which acquires superior performance and sustainable competitive advantage as a function of choice of industry and market power (Haugstad, 1999; Johnson *et al*, 2003; Porter, 1980). The RBV further seeks to explain a firm's superior performance as a function of the firm's resources as well as its ability to use these resources to create economic rents (Wernerfelt, 1984).

While the RBV is the proverbial next step in evolution in comparison with the Classics, it is however, not without its own challenges. Firstly, the major contributors to RBV research – large scale, macro-level statistical studies (Bowman and Helfat,

2001; McGahan and Porter, 1997; Rumelt, 1991) – have not yielded significant conclusions and are in danger of failing to deliver on its promises. This is primarily due to the broad categorisation used for resources in the macro-approach, which has resulted in an all-inclusive definition of resources. This definition appears to characterise resources as ordinary and one-dimensional, therefore contradicting the fundamental RBV argument that value is embedded in resource uniqueness (Rouse and Daellenbach, 1999).

Secondly, the broad categorisation of resources has resulted in an inability to discern between resources which managers can practically manoeuvre in an effort to create economic rents and those beyond managerial control. Conversely, the knowledge-based interpretation of RBV has concluded that the value of a resource is not merely a function of its existence; on the contrary, resource value is created through the ability of those involved in the activity of a firm – whether managers or not – to manipulate and utilise the resource (Eisenhardt and Santos, 2002; Priem and Butler, 2001).

Thirdly, globalisation – the process whereby the world economy is shifting towards a more integrated and interdependent economy, of which the end result is 'globality' (Hill, 2009) – in addition to the internet have resulted in the macro-economic environment (Porter, 1980) moving rapidly towards open markets, mobile labour and information abundance. This has resulted in increasingly tradable resources, ease of market-entry and a significant failure to protect resources from strategic imitation. The resultant liquid markets and resources has become an unstable foundation for competitive advantage and forces a firm to build its sustainable competitive advantage in tacit micro-assets that are uncomfortable to trade (Barney, 1986, 1991).

Micro Strategy addresses these three challenges, furthering the evolutionary process present in strategy research, by researching the value created in the seemingly minute and neglected – even trivial – detail and actions of a firm. Micro Strategy, drawing insight from the RBV, therefore states that the foundation of sustainable competitive advantage and superior performance should be contained in something other than the broad, all-inclusive resources that are easy to identify by the external observer (Johnson *et al.*, 2003; Whittington, 2007).

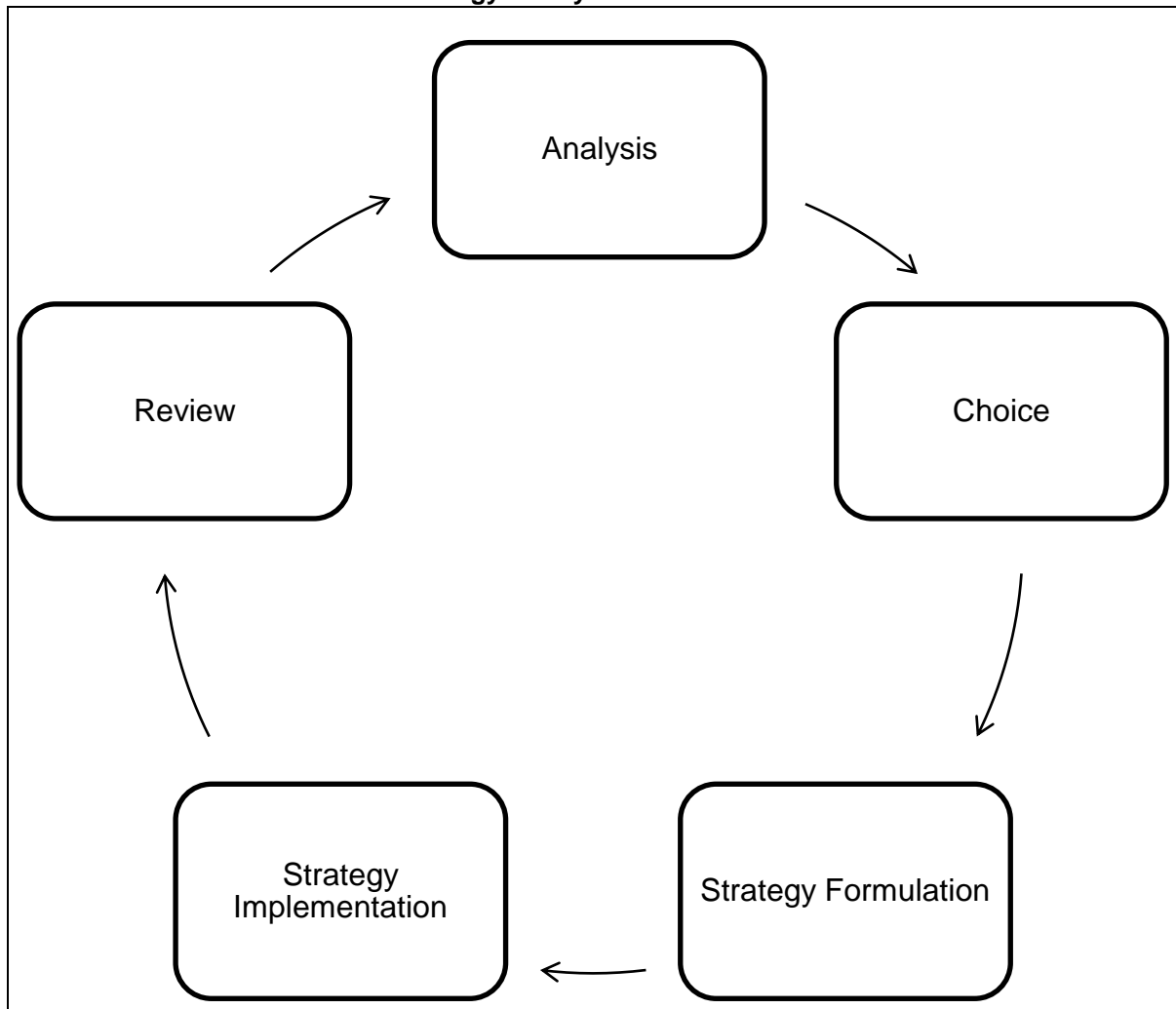
2.5 LEARNING SCHOOL

As with biological evolution, adapting to a changing environment often requires simultaneously altering the make-up of more than one element of the species' DNA. This has been the case in the evolutionary process of strategy research.

In 1984, Pascale (1984) challenged the Boston Consulting Group's (BCG) account of how Honda made its entrance into the American motorcycle market. BCG claimed that Honda's success followed a carefully selected and premeditated market-entry strategy. However, Pascale (1984), after interviewing the Japanese management team, had a contradicting account. The Japanese management team reported that even though they had a carefully crafted strategy upon market-entry, this plan soon failed and the team claimed that their success was rooted in their ability to learn from their own mistakes and adjust their strategy when needed.

Pascale's findings again directly challenged the Classics which have been dominating strategy teaching for the last 30 years, by suggesting that the strategic outcome of a strategy is the result of a sequential and deliberate process consisting of five distinct phases: Analysis, Choice, Strategy Formulation, Strategy Implementation and Review. This process is graphically depicted in Figure 2.2.

Figure 2.2: The sequential and deliberate process of strategising as prescribed by the Classical School of strategy theory



Source: *Carpenter and Sanders (2009)*

Consequently, Mintzberg and Waters (1985) identified that while companies formulated and implemented deliberate strategies, these deliberate strategies often differed from the strategy that was realised by the organisation. This phenomenon is mainly due to variables such as technological advancements and skills shortages, This resulted in Nag, Hambrick and Chen (2007) suggesting the following definition of strategic management: "The field of strategic management deals with the major intended and emergent initiatives, taken by general managers on behalf of owners, involving the utilisation of resources to enhance performance of firms in their external environments" (Nag *et al.*, 2007).

Micro Strategy expands on the emergent nature of strategising, by not only examining the ability of an organisation and its actors to adapt a strategy, but also by making the practice of strategy the explicit subject of its research (Whittington, 2007).

2.6 PROCESS THEORY

Even though the debate regarding the prehistoric origins of the Great White Shark continues, it is clear that its evolutionary path is similar to that of the Spotted Ragged Tooth Shark, and they may even appear to be the same species (Wright State University, 2005). However, these two predators are remarkably different. Such is the evolution of Micro Strategy (S-as-P) and Strategy Process Theory ('Process'), and while Micro Strategy builds on Process Theory, there are very distinct differences (Whittington, 2007).

Process Research enabled researchers to investigate the contributions of, as well as the relationship between, the internal organisational processes and the strategic outcomes of the organisation. Process research however, still seeks to explain the impact of systems and processes of organisations as a whole, and have very little interest in explaining the apparently minute and trivial practices (the organisational 'DNA') that are necessary to make the processes happen (Whittington, 2007).

While the Classics reduced human actors to mere sets of demographics, Process Theory (Pettigrew, Thomas and Whittington, 2002) exhibits an interest in activities of human actors and its ability to drive or counteract change. Process research is however reluctant to explore the impact of individual human activity on strategic outcomes. Micro Strategy can be seen to be boldly going where Process Theory fears to tread, by investigating the value contained in the apparently minute and trivial practices of individual human actors.

Just like the Great White Shark completed the evolutionary process of the Spotted Ragged Tooth Shark, Micro Strategy completes the evolutionary process started by Process Theory. Micro Strategy contends that context, content and process are inherently inter-twined while Process Theory, in an effort to create a unique identity, distanced itself completely from the Classics by completely disregarding content,

which is the focus of the Classics. Process Theory only investigates how a strategy emerges and evolves over time, not the strategic fit of the organisation to its hyper-competitive environment. This is one of the roles of Micro Strategy (Whittington, 2007), and is part of the reason why organisations are heading in this direction.

2.7 THE 'DNA' OF MICRO STRATEGY

The chemical building blocks (nucleotides) of biological DNA consist of three interlinked parts, which link up in chains to form a strand of DNA (U.S. Department of Health and Human Services: National Human Genome Research Institute, 2010). Firstly, this section examines the three interlinking concepts that form the building blocks of Micro Strategy DNA: practices, praxis and practitioners. Secondly, this section reviews the typology of the nine widely adopted Micro Strategy research domains (Jarzabkowski and Spee, 2009). This section concludes with identifying both the benefits and challenges of Micro Strategy research.

2.7.1 The elements of Micro Strategy DNA

The understanding of the DNA of Micro Strategy first requires an understanding of what Micro Strategy seeks to explain.

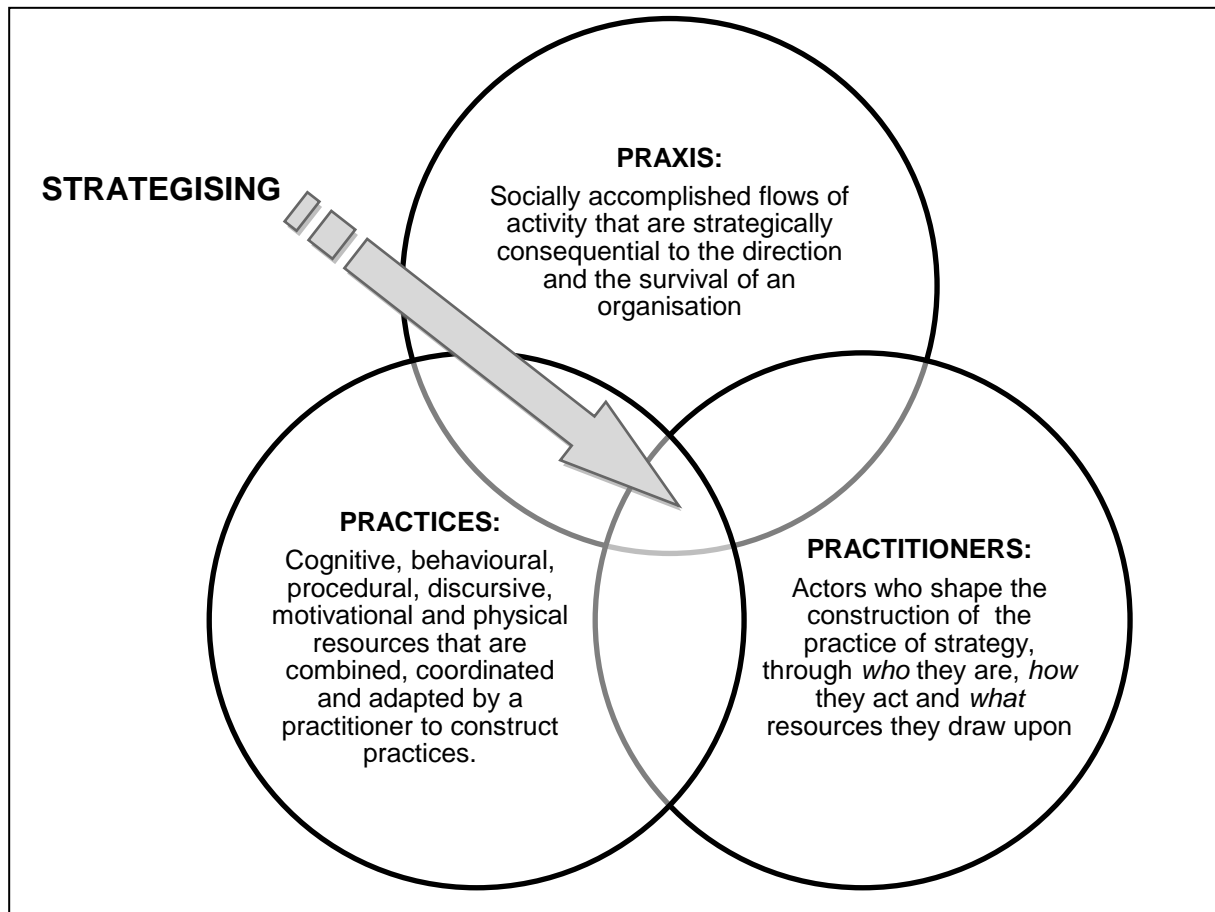
Words like strategy, strategising and strategic are widely used in modern society to emphasise the importance of almost anything. This colloquial use of the word strategy necessitates defining strategy, as viewed through the sociological eye (Hughes, 1971) of Micro Strategy researchers. In the sociological view, strategy is defined as "something that people do (an activity) with stuff in society", while strategising, as indicated in Figure 2.3, refers to the actions that people take and the practices they use in accomplishing the activity of strategy (Chia and MacKay 2007; Jarzabkowski and Spee, 2009; Jarzabkowski and Whittington, 2008; Whittington, 2002).

Jarzabkowski and Spee (2009) therefore suggest that Micro Strategy 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".

Figure 2.3 is a graphical representation of the elements of Micro Strategy DNA and the interrelationships between these elements.

Figure 2.3: A conceptual framework for analysing Micro Strategy DNA



Source: Jarzabkowski, Belogun and Seidl, 2007

As seen in Figure 2.3, the elements of Micro Strategy DNA (research parameters) have therefore been broadly defined as (Jarzabkowski and Spee, 2009; Jarzabkowski and Whittington, 2008; Jarzabkowski *et al.*, 2007; Johnson *et al.*, 2003):

- Practitioners
- Practices
- Praxis

In the section below each of these will be discussed in more detail.

Practitioners

The people (human actors) that do the work of strategy, including, but not limited to:

- The internal actors (employees) on all levels in the organisation involved in the process of strategising; and
- The external actors (consultants, regulators and analysts) that exert influence to shape the realised strategy of an organisation.

Practices

Strategy practices are the social, symbolic and material tools that practitioners use during the "doing of strategy". These include, but are not limited to:

- Strategy models that are used in everyday strategy jargon, such as Porter's (1985) SWOT analysis;
- The material artefacts and technology such as PowerPoint presentations and flipcharts, used in performing the action of strategising; and
- The background knowledge of the specific practitioner.

The use of these practices is essential to the doing of strategy and are also known as the cognitive, behavioural, procedural and physical resources that practitioners use to interact with organisational actors in order to accomplish the social activity, strategy.

Praxis

Strategy praxis comprises of the interconnections between the actions of, and utilisation of resources by practitioners, the organisation's actors and the organisation within which these individuals and groups act. This flow of activity is however, not only in a singular direction, these actions might run parallel, might intersect, might diverge from or depend on each other or even collide (Grandy and Mills, 2004).

The interconnections of actions flow from a complex system which brings the independent actions of practitioners together, from which order (repeated action cycles) – known as action feedback loops – will eventually arise. These action feedback loops can be either (Grandy and Mills, 2004):

- Positive, enabling the evolution of processes that ensure the adaption of an organisation to its environment (often resulting in an automatic correction of problems that top management might even be unaware of); or
- Negative, breaking down essential processes needed for the organisation's survival in the rapidly changing external environment.

Although the elements of Micro Strategy DNA are separately identifiable, as indicated in Figure 2.3, these elements are intrinsically connected in such a manner that it is not possible to study one element without drawing on some aspects of the others.

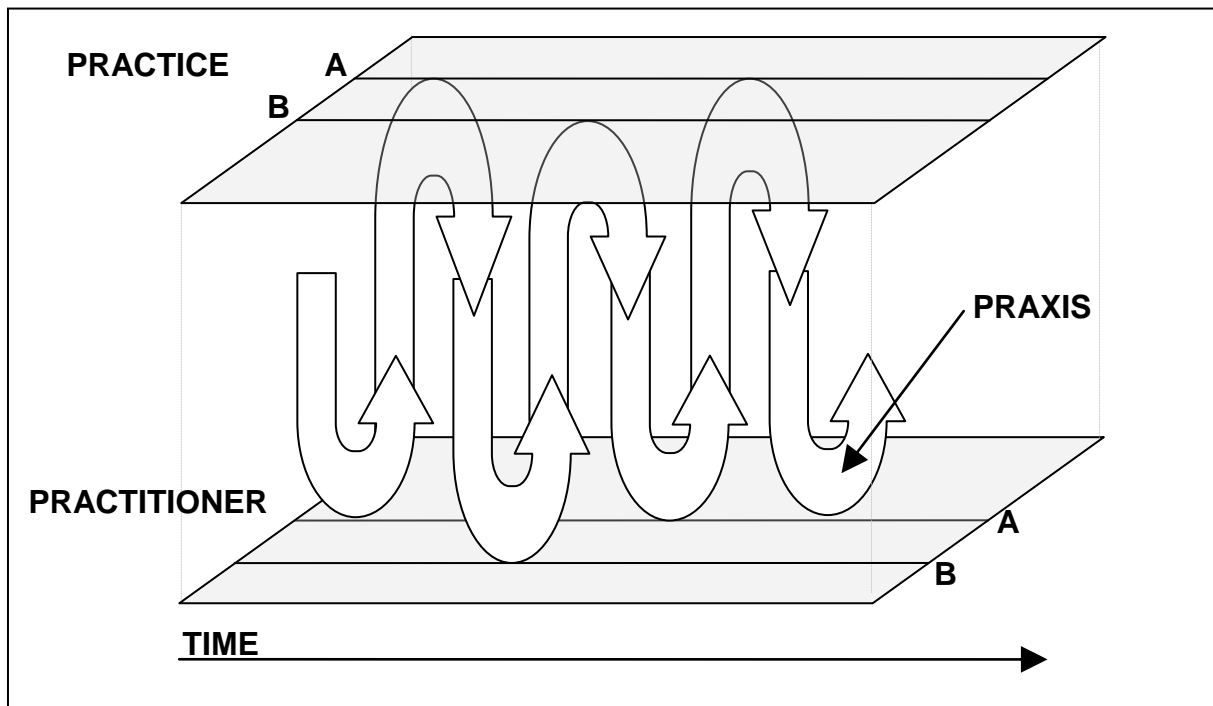
The complexity of Micro Strategy DNA can be explained in terms of the following simplified example. Consider a hand of Poker, taking place in a casino. The outcome of any hand played is determined by various elements:

- The rules of Poker can be viewed as the organisation's macro-environment;
- The casino-specific rules of Poker can be viewed as the organisation's meso- or market- environment;
- The dealer and his or her specific skill set can subsequently be seen as the organisation's main competitor;
- The players at the table are the organisation's practitioners;
- Each of the individual players' 'know-how' (in the case of Poker, knowing when to take a card, when to hold and when to fold) and specific 'tell-tales' (such as the twirling of the hair on a good hand) then constitute the practitioners practices;
- The effects of one player taking an extra card from the dealer on the hands of the other players at the table constitute praxis. The extra card can either cause the next player to fold (negative impact) or hold (positive impact). This can create a ripple effect (a flow of activity) that impacts the hands of all the players at the table, eventually affecting the player who took the extra card (feedback loop);

- This ripple effect can continue, subsequently affecting the dealer's hand, which may eventually influence the outcome of the game; and
- The outcome of a multitude of games can eventually influence and change the casino-specific rules of Poker, which – if it becomes the norm – may change the rules of the game of Poker.

Figure 2.4, graphically depicts the complexity of Micro Strategy DNA. The top grey layer indicates the various practices that can be employed, while the bottom grey layer indicates the numerous practitioners that may be involved in strategising. In an effort to facilitate an understanding of Micro Strategy DNA, only two practices and two practitioners were employed in this graphical illustration (Figure 2.4). It is however, necessary to note that there may be an unlimited number of both practices and practitioners. The arrows in Figure 2.4 indicate praxis as the flow between the various practices and practitioners over time.

Figure 2.4: Micro Strategy DNA



Adapted from: Whittington, 2002:C1-C6.

2.7.2 Micro Strategy Typology

The number of combinations of the elements (nucleotides) and sub-elements (nitrogen bases) of biological DNA are infinite. In a similar manner, the number of possible research topics contained in Micro Strategy DNA, are infinite. In an effort to structure Micro Strategy Research Jarzabkowski and Spee (2009) grouped research topics into nine different domains, this was done using only two of the three elements of Micro Strategy DNA, namely Praxis and Practitioner as illustrated by Figure 2.5.

Praxis is where action and operation meet, the flow of activity between society and what individual people are doing (Sztompka, 1991). This definition of Praxis indicates that Praxis is present in/at more than one level of the economic environment and that the different 'levels' of Praxis are interconnected. In drawing on this definition, three levels of Praxis were identified in Micro Strategy literature, namely:

- Micro Level Praxis: Includes all studies that seek to explain specific strategy praxis at individual or group-level;
- Meso Level Praxis: Includes all studies that seek to explain strategy praxis at organisational and sub-organisational level; and
- Macro Level Praxis: Includes all studies that seek to explain strategy praxis at institutional and industry-level.

Jarzabkowski and Spee (2009) further grouped strategy practitioners into three groups namely:

- Individual practitioners within the organisation;
- Aggregate (actors are grouped by position) practitioners within the organisation; and
- External aggregate practitioners, such as strategy consultants.

The typology matrix (Figure 2.5) was subsequently constructed, indicating the number of empirical and theoretical papers that explicitly identify with the Micro Strategy (S-as-P) agenda. The nine domains are seen as distinctly separate areas of research. However, studies may cover more than one domain, as domains are not treated as mutually exclusive. Jarzabkowski and Spee (2009) therefore included overlapping papers in the number of identified papers. The domains are as follows:

Domain A

Domain A includes those studies that have examined individual actors, focusing on micro level Praxis. These papers typically focus on an individual's experience and how this impacts the strategising abilities of the individual. In illustrating the nature of Domain A research, Jarzabkowski and Spee (2009) propose the following broad research question while indicating that this question could be studied from multiple angles: "What are the implications in the way John, the CEO and Sally, the CFO negotiate over a particular strategic target?"

Domain B

Domain B includes those studies that have examined individual actors, focusing on organisational and sub-organisational level Praxis. Domain B papers mostly focus on how the activities of individuals shape organisational strategy. The following broad research question is used to illustrate the nature of Domain B research: "What are the implications of the interactions between the six members of a project team for implementing the new strategic direction?" (Jarzabkowski and Spee, 2009).

Domain C

Domain C includes those studies that have examined individual actors, focusing on macro level Praxis. These studies often seek to explain institutional, market or industry actions from the individual's perspective. The study by Vaara, Kleymann and Seristö (2004), which explained how alliances became a legitimate strategy within the airline industry, is used as an example of Domain C research. The authors drew upon a pool of multi-level airline employees from several airlines and examined how individual-specific action influenced the establishment of alliances as the dominant form of competition in the airline industry.

Domain D

Domain D includes those studies that have examined aggregate actors (grouped according to position or function), focusing on micro level Praxis. The following broad research question is proposed as an illustration of the nature of Domain D research: "How do the interactions between top and middle management within a strategy workshop, shape the conduct and outcome of that workshop?" (Jarzabkowski and Spee, 2009).

Domain E

Domain E includes those studies that have examined only one or multiple classes of aggregate actors, often comparing the influence of different classes on organisational strategy. In illustrating the nature of Domain E research, Jarzabkowski and Spee (2009) propose the following broad research question: "How does the Praxis of different business units in implementing an organisation-wide change program, influence their perceptions of the success of that program?" (Jarzabkowski and Spee, 2009).

Domain F

Domain F includes those studies that have examined aggregate actors within the organisation and macro level Praxis. The following broad research question is proposed as an illustration of the nature of Domain F research: "How do executive directors in retail firms take account of an attempt to influence the industry analysis that shape investment in their industry?" (Jarzabkowski and Spee, 2009).

Domain G

Domain G includes those studies that have examined how external aggregate actors shape micro level Praxis. Domain G studies, for example, include, but are not limited to studies that examine the influence of strategy consultants on the praxis of strategy workshops.

Domain H

Domain H includes those studies that focus on the relationship between external aggregate actors and strategy Praxis at organisational and sub-organisational level. The following illustrative research question brings Domain H into focus: "What practices do environmental groups draw upon in an attempt to influence the inclusion of environmental considerations within an oil company's strategy?" (Jarzabkowski and Spee, 2009:80).

Domain I

Domain I includes those studies that focus on the relationship between external aggregate actors and macro level Praxis. In illustrating the focus of Domain I research, the following research question is proposed: "Do banks' formal borrowing requirements shape strategic plans and planning procedures of small-and-medium-sized enterprises (SMEs) and, if so, in what ways?" (Jarzabkowski and Spee, 2009).

Figure 2.5 is an illustration of the nine Micro Strategy Research domains as identified by Jarzabkowski and Spee (2009).

Table 2.1: Typology of Micro Strategy research as identified by Jarzabkowski and Spee (2009)

LEVEL OF PRAXIS	Macro	Domain C <i>n</i> Empirical: 1 <i>n</i> Theoretical: 0	Domain F <i>n</i> Empirical: 1 <i>n</i> Theoretical: 2	Domain I <i>n</i> Empirical: 1 <i>n</i> Theoretical: 8
	Meso	Domain B <i>n</i> Empirical: 3 <i>n</i> Theoretical: 0	Domain E <i>n</i> Empirical: 16 <i>n</i> Theoretical: 0	Domain H <i>n</i> Empirical: 1 <i>n</i> Theoretical: 0
	Micro	Domain A <i>n</i> Empirical: 6 <i>n</i> Theoretical: 1	Domain D <i>n</i> Empirical: 6 <i>n</i> Theoretical: 0	Domain G <i>n</i> Empirical: 0 <i>n</i> Theoretical: 0
		Internal Individual Actors	Internal Aggregate Actors	External Aggregate Actors
		Type of practitioner		

Source: Jarzabkowski and Spee, 2009

2.7.3 The benefits and challenges of Micro Strategy research

The Great White Shark, the result of the evolutionary process of various species of sharks, yields major benefits for the shark species as a whole. However, the Great White Shark is currently faced with numerous environmental challenges and has to keep on evolving to ensure its survival (Wright State University, 2005). Like the Great White Shark, Micro Strategy research has yielded at least three major benefits to strategy research. However, it is also faced with numerous challenges.

Benefits

Firstly, numerous schools of strategy research have expressed the need to explain the micro origins of macro-phenomena. Micro strategy does just this, by examining and explaining the practices, praxis and practitioners that underpin macro-phenomena, such as the achievement of sustainable competitive advantage (Jarzabkowski *et al.*, 2007; Jarzabkowski and Whittington, 2008; Johnson *et al.*, 2003).

The ability to link the micro with the macro-phenomena leads to the second benefit of Micro strategy research, namely, the ability to study both content and process simultaneously.

Thirdly, by studying why, when and how human actors impact strategy, micro strategy research enables a closer relationship between 'academic' and 'practical' strategy.

Challenges

Micro strategy is faced with numerous challenges, the most significant of which is the challenge of accumulating knowledge beyond the specific context of a particular study. This challenge arises from the design of the research methodology, which requires research to span various/different levels. It creates the danger that research may become so extreme, being so micro that results cannot be generalised and thus

will contribute very little to the knowledge base of strategy (Jarzabkowski *et al.*, 2007; Jarzabkowski and Whittington, 2008; Johnson *et al.*, 2003).

2.8 THE LINK BETWEEN CONSULTANT'S LIABILITIES AND STRATEGY-AS-PRACTICE

Arend (2004) draws the attention of academia 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. It is these strategic liabilities that inform the subject of this study, namely Consultant liabilities as such, and further explanation is therefore necessary.

The Litmus test for a resource to qualify as a strategic liability is defined as a resource that is:

- **Costly:** Detracts from performance and value;
- **Supply Restricted:** Scarce in that not all rivals have it;
- **Appropriated:** The cost of liabilities is owned by the firm and there is no way avoiding paying the cost; and
- **Inconvertible:** Cannot be economically converted into a form that is, at minimum, strategically benign.

The liabilities consultants face in the process of assisting organisations with strategising directly influence the ability of a firm to implement and adjust a strategy ('the inability'). This inability of a firm to strategise successfully, meets the Litmus test for a strategic liability in that:

- it inhibits a firm's ability to competitive advantage and subsequently results in poor performance;
- it does not occur in all firms;
- it is a result of negative feedback loops embedded in the foundations of a firm; and
- its tacit origin results in uneconomical conversion cost.

These liabilities, their interrelations and possible resultant negative effect on a firm's performance constitute the meso praxis of this study. The study is however, limited to

liabilities that affect an external aggregate actor's ("The Strategy Consultant") practices and ability to implement and adjust a strategy – the micro praxis of the study. The study includes both Domain G (External Aggregate Actors and Micro Praxis) and Domain H (External Aggregate Actors and Meso Praxis) of "S-as-P" research typology as defined by Jarzabkowski and Spee (2009).

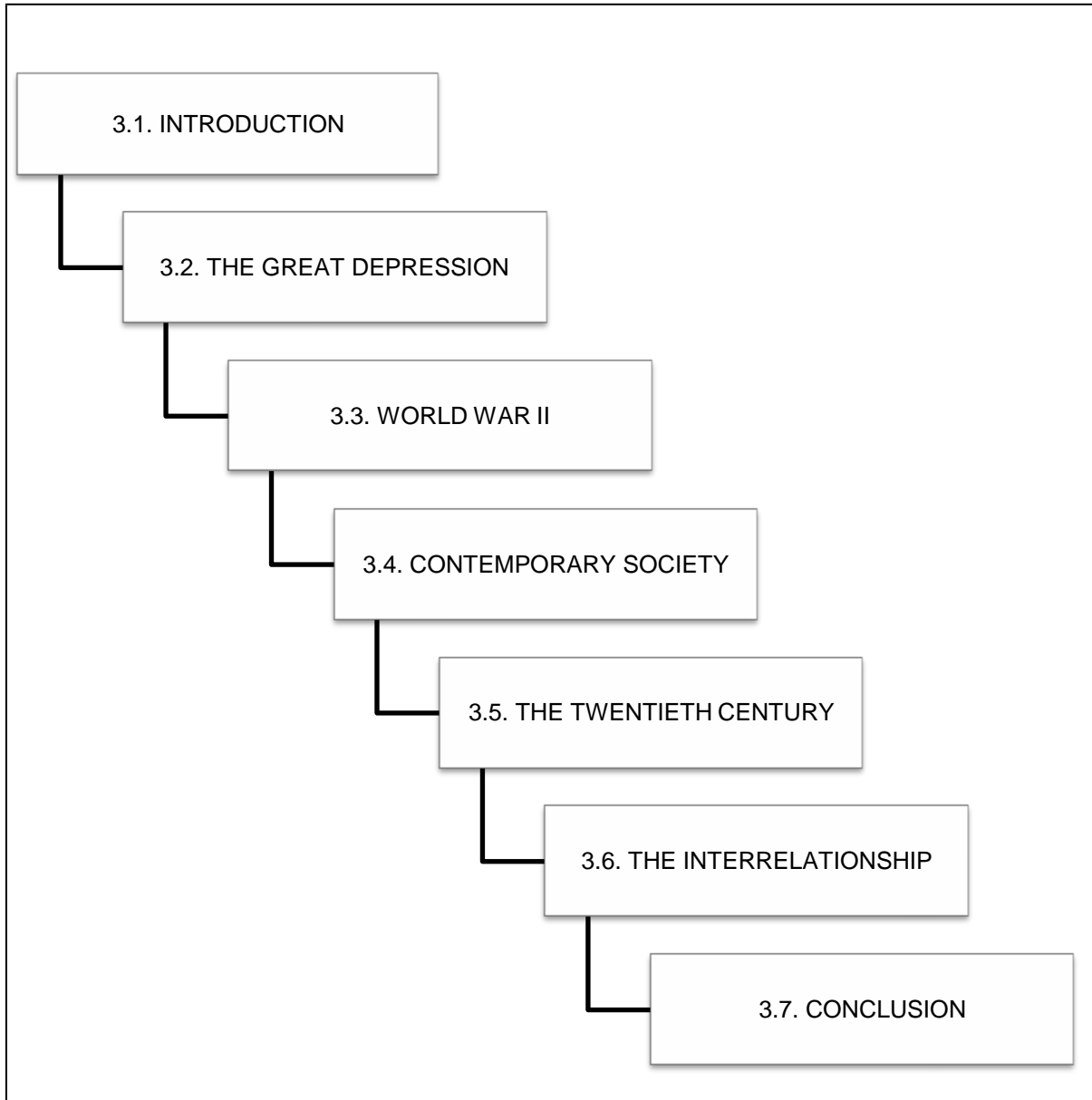
2.9 CONCLUSION

This chapter indicated that an organisation can and has been viewed as a living organism with a uniquely identifiable set of DNA, and explored S-as-P rather than classical strategy theory, the resource based view, the learning school, or process theory as the preferred method for examining organisational DNA. Secondly, this chapter examined the elements of Micro Strategy DNA, reviewed the typology of the nine widely adopted Micro Strategy research domains and identified both the benefits and challenges of Micro Strategy research. This chapter concluded by linking the title of this dissertation: "Management consultant liabilities during the process of assisting organisations with strategising" to strategic liabilities and two specific domains within Micro Strategy research.

CHAPTER 3: THE HISTORY OF LIABILITIES AND STRATEGY

Figure 3.1 indicates the elements of the study as they are discussed in Chapter 3 and graphically illustrates how each element flows into the next.

Figure 3.1: The elements that together constitute Chapter 3 of the study



3.1 INTRODUCTION

Consultants have been involved with strategising since the times when kings appointed court jesters and emperors consulted with philosophers (Sun Tzu, 2005; Turner, 1995). The perils of being a court jester or a philosopher in ancient times have been widely documented, and have been the subject of numerous works of fiction. It could be argued that these trades constituted a liability to the person performing them.

The colourful tradition and history of consulting has been researched and examined in numerous academic works. The aim of this chapter is however, purely to provide a synopsis of the history of management consulting, corporate strategy theory and organisation liabilities, while indicating how these three elements have informed each other. It is important to note that this synopsis includes only major events and first works on a specific subject and have excluded numerous lesser-known events as well as follow-up (expanding) contributions.

3.2 THE GREAT DEPRESSION

Management consulting firms such as McKinsey and Company, Booz, Allen and Hamilton and Arthur D. Little, Inc have been providing organisations with expert advice since the 1920s. Initially these partnerships between engineers, accountants and lawyers were meant to improve specific departmental problems. However, in the 1930s, The Great Depression and its associated cost-cutting, forced consulting services into a more generalised management function. Consultants became the external conduits for organisational change.

The market for consultants was initially very limited, but rapidly expanded in 1933 when The Glass-Steagall Act was proclaimed in the United States of America. This act provided for the following:

- Banks were no longer permitted to offer clients consultative and re-organisational services;
- Banks were ordered to separate investment and corporate banking; and

- It outlawed underwriting and stock brokering as a service banks were allowed to offer.

This created a gap that consultants could fill and it is considered a pivotal point in consulting history.

3.3 WORLD WAR II

The period spanning World War II and the 1950s was not only at the height of the industrial revolution, with motor cars, boats and aeroplanes being produced at unthinkable rates, but it also introduced the possibility for international market-entry. The markets entered into by entrepreneurs brought various new challenges, barriers and costs not normally associated with national business; named the 'Liability of Foreignness' in 1960 by Stephan Hymer. However, many of these new multi-national organisations (MNOs) soon failed. Stichcombe named this relationship between organisational age and failure the 'Liability of Newness' in 1965. In an effort to assist these MNOs, consulting firms also started to internationalise.

3.4 CONTEMPORARY SOCIETY

The 1960s was a relatively stable economic period, and as big business dominated the markets they made organisational data readily available. This stability gave rise to the dawn of classical corporate strategy, namely, Chandler's, "Strategy and structure: Chapters in the history of the industry landscape" in 1962, and Anstoff's, "Corporate strategy: an analytic approach to business policy for growth and expansion" in 1965.

This economic stability was replaced by uncertainty and anxiety in the 1970s and 1980s. Big business no longer had any assurances that they would stay on top and turned to consultants for assistance. Consultants, such as Boston Consulting Group's Bruce Henderson, began to market their services using buzz-terms such as the 'experience curve'. Harvard business school professor, Michael Porter subsequently developed frameworks that enabled organisations to systematically analyse their

environment, understand their competition and position themselves in a manner that led to a competitive advantage.

Henry Mintzberg, in 1998, grouped three schools of strategy theory, namely, the 'Design School', the 'Planning School' of Ansoff (1965) and the 'Positioning School' of Porter (1980; 1985) which together represented the 'Classical Approach' to corporate strategy theory (also see Chapter 2).

The 1980s further gave rise to two fundamentally different schools of thought regarding strategy, namely, the Resource Based View (Wernerfelt, 1984) and the Learning School (Pascale, 1984).

The 1990s saw the rise of a new wave of uncertainty and change in the form of the World Wide Web. The change between the industrial and information age impacted numerous industries and brought with it E-Commerce. Businesses started to show a deviation in the normal relationship between organisational age and failure. They indicated a U-shaped relationship, suggesting that as new firms were considered novel for a while, and had start-up capital to carry them through the first few months of operation, they were more likely to fail only once the novelty wore off. This U-shaped relationship was named the 'Liability of Adolescence' by Brudel and Schussler, in 1990.

The relationship between a firm's age and failure is highly debated and it should be mentioned that a third argument exists in this regard, namely the 'Liability of Obsolescence'. This theory suggests that as organisations age, they become increasingly misaligned with their environments, resulting in failure.

3.5 THE TWENTY-FIRST CENTURY

Consultants guided organisations through these types of academic debates and environmental changes by constructing frameworks for success. These frameworks helped, and still help, organisations to focus, adapt, position and execute. As a result of these frameworks two new strategy theories have emerged, namely, Process Theory and Micro Strategy.

In 2007 the world economy was in recession. Organisations were on the brink of failure, some due to operational (internal) difficulties and others due to more strategic (external) difficulties. Globally, numerous Acts were being proclaimed in an attempt to facilitate a turnaround (recovery from decline/return to normal operations). Turnarounds were attempted by external entities, normally consultants, in an effort to protect organisation stakeholders. The nature of a turnaround situation dictates that numerous elements, namely 'Turnaround liabilities', could hinder a successful turnaround.

Today, organisations are supposedly relentlessly customer-centric and only focus on creating value. Consultants coin buzzwords such as 'Strategic Intuition', 'Organisational DNA' and 'Effectuation' and drive 'Green' Strategies forward. Organisations that do not necessarily understand these buzzwords or the rapidly changing environment, appoint consultants to enable them to understand and remain competitive.

Table 3.1 shows the interrelationship between environmental change, management consultants, corporate strategy theory and liabilities from the 1920s to the current day.

Table 3.1: Timeline depicting the interrelationship between environmental change, management consultants, corporate strategy theory and liabilities

1920's	Management consultants	Emergence of consulting firms in Chicago and New York (USA)	
1930's	Environmental change	Great Depression	
1933	Management consultants	Glass-Steagall Act passed in USA	
1930's	Management consultants	Expand beyond initial cities into USA	
1950's	Environmental change	World War 2	
1950's	Management consultants	Post-World War 2 boom of three major role players: McKinsey and Company; Booz, Allen and Hamilton and Cresap, McCormick and Paget	
1960's	Management consultants	Expand beyond USA borders (As USA firms start entering new markets)	
1960's	Management consultants	Emergence of Strategy Consulting	
1960 (1976)	Liability of Foreignness	Hymer, S.	The international operations of national firms: A study of foreign direct investment
1962	Corporate strategy	Chandler, A.	Strategy and structure: Chapters in the history of the industry landscape
1965	Corporate strategy	Anstof, H.I.	Corporate strategy: an analytic approach to business policy for growth and expansion
1965	Liability of Newness	Stinchcombe, A.L.	Social structure and organisations
1966	Corporate Strategy	Henderson, B.	Essays
1968	Management consultants	Servan-Schreiber, J.J.	The American challenge
1971	Corporate strategy	Andrews, K.	The concept of corporate strategy
1978	Corporate strategy	Mintzberg, H.	Patterns of strategy formation
1979	Management consultants	Porter, M.	How competitive forces shape strategy
1980	Corporate strategy	Porter, M.	Competitive advantage
1982	Corporate strategy	Peters, T. and Waterman, R.	In search of excellence

1984	Liability of Newness	Hannan, M.T. and Freeman, J.	Structural inertia and organisational change
1984	Corporate strategy	Pascale, R.T.	Perspective on strategy: The real story behind Honda's success
1984	Corporate strategy	Wernerfelt, B.	A Resource-based view of the firm
1985	Corporate strategy	Porter, M.	Competitive Strategy
1985	Corporate strategy	Mintzberg, H. and Waters, J.A.	Of strategies, deliberate and emergent.
1986	Corporate strategy	Deming, W.E.	Out of the Crisis
1988	Liability of Adolescence	Levintal, D.A. and Fichman, M.	Dynamics of inter-organisational attachments: Auditor-client relationships
1989	Liability of Obsolescence	Baum, J.A.C.	Localized competition and organisational failure in the Manhattan hotel industry
1990's	Environmental change	Emergence of World Wide Web and Information Age	
1990	Liability of Adolescence	Brudel, J. and Schussler, R.	Organisational mortality: The liability of Newness and Adolescence
1993	Liability of Obsolescence	Ingram, P.L.	Old, tired and ready to die: The age dependence of organisational mortality reconsidered
1993	Corporate strategy	Hammer, M. and Champy, J.	Re-engineering the corporation
1994	Liability of Obsolescence	Barron, D.N., West, E. and Hannan, M.T.	A time to grow and a time to die: Growth and mortality of credit unions in New York
1994	Corporate strategy	Mintzberg, H.	The rise and fall of strategic planning
1994	Corporate strategy	Hamel, G. and Prahalad, C.K.	Competing for the future
1995	Liability of Foreignness	Zaheer, S.	Overcoming the liability of Foreignness
1996	Corporate strategy	Porter, M.	What is strategy?
1997	Management consultants	Bourgeois, L.J.	Note on portfolio techniques for corporate strategic planning
1998	Corporate strategy	Mintzberg, H.	Strategy formation: schools of thought
1999	Management consultants	Oster, S.M.	Modern competitive analysis

1999	Corporate Strategy	Beinhocker, E.D.	Robust adaptive strategies
1999	Corporate strategy	Williamson, P.J.	Strategy as option of the future
2001	Corporate strategy	Zook, C.	Profit from the core
2002	Corporate strategy	Charan, R. and Bossidy, L.	Execution
2002	Management consultants	Slywotzky, A.J. and Morrison, D.J.	The profit zone
2002	Corporate strategy	Pettigrew, A., Thomas, H. and Whittington, R.	Strategic management: The strengths and limitations of a field
2003	Corporate strategy	Johnson, G., Melin, L. and Whittington, R.	Guest editors' introduction: micro strategy and strategising: towards an activity-based view
2005	Management consultants	Kim, W.C. and Mauborgne, R.	Blue Ocean Strategy
2007	Environmental change	Worldwide economic recession	
2007	Corporate Strategy	Duggan, W.	Strategic intuition
2007	Corporate Strategy	Nag, R., Hambrick, D.C. and Chen, M.J.	What is strategic management, really? Inductive derivation of a consensus definition of the field.
2008	Turnaround liabilities	Pretorius, M. and Holtzhauzen, G.T.D.	Critical variables of venture turnaround: a liabilities approach
2008	Corporate Strategy	Barnett, W.P.	The Red Queen among organisations: How competitors evolve
2008	Management Consultants	Sarasvathy, S.D.	Effectuation: Elements of entrepreneurial enterprise
2008	Corporate Strategy	Collis, D.J. and Montgomery, C.A.	Competing on resources

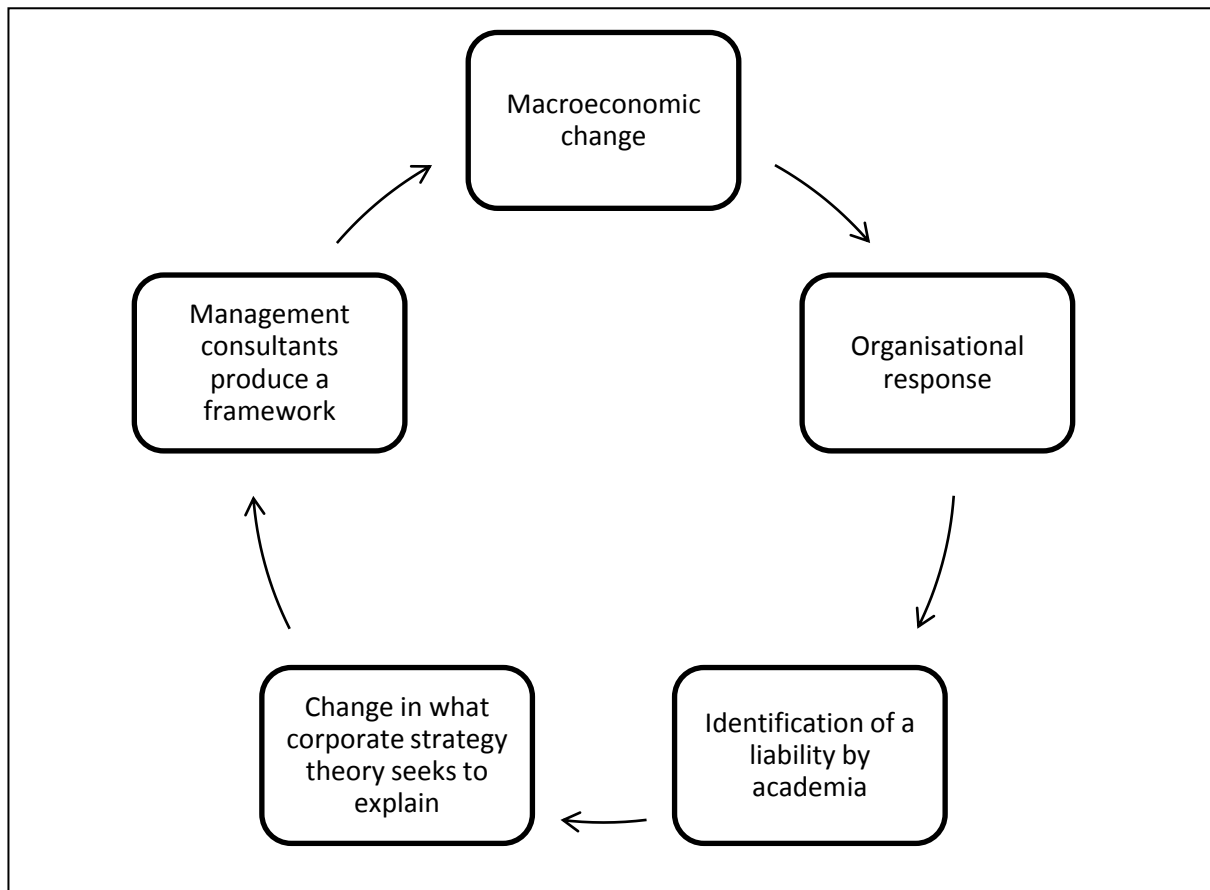
Source: Own compilation based on Allio and Randall (2010), Horwath (2006) and McKenna, (2001)

3.6 THE INTERRELATIONSHIP

From the above, it is clear that organisations, management consultants, corporate strategy theory, and liabilities are interconnected and interdependent and that there is a strong interrelationship between these concepts and major macroeconomic changes. Causality between these five elements has however, not been determined.

Figure 3.2 illustrates the interrelationship between these five elements as it appears in academic literature. The double-headed lines indicate that uncertainty exists with regards to the order in which these elements should appear.

Figure 3.2: The interrelationship between the five elements



Source: *Own compilation*

3.7 CONCLUSION

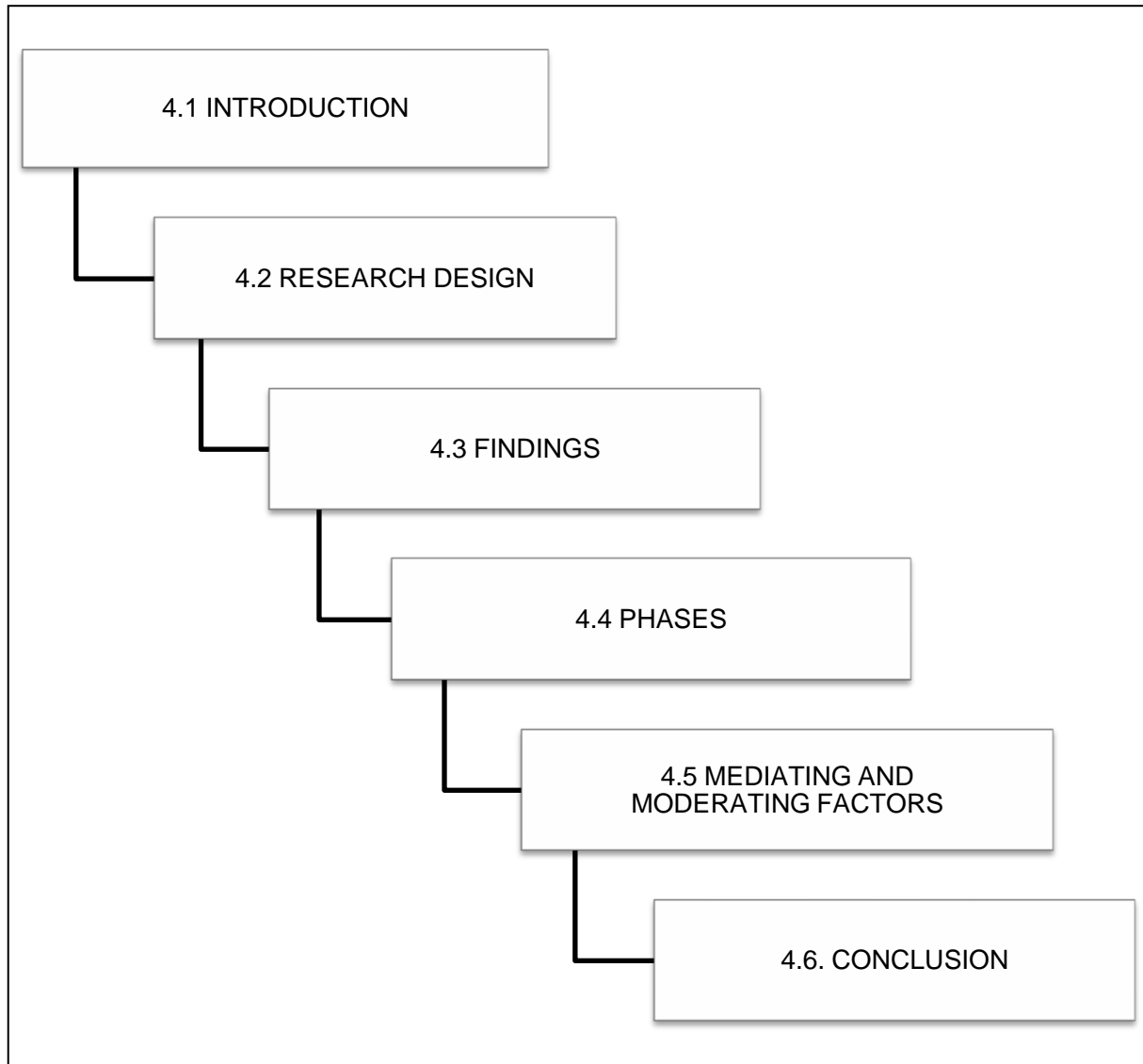
The historic interrelationship between major macroeconomic change, management consultants, corporate strategy theory and liabilities was discussed to indicate the importance of this study. Causality of the elements however fall outside the scope of this study, and as such this chapter only indicated that a strong interrelationship between these elements does exist, while indicating a lack of academic research on what the liabilities are that consultants face in the process of assisting their clients to strategise.

Therefore, liabilities are real for organisations and for consultants. One can reason that consultants exist because of liabilities, and that those different kinds of liabilities initiate research frameworks that eventually effect strategising and the activities of an organisation.

CHAPTER 4: METHODOLOGY AND FINDINGS

Figure 4.1 indicates the elements of the study as they are discussed in Chapter 4 and graphically illustrates how each element flows into the next.

Figure 4.1: The elements that together constitute Chapter 4 of the study



4.1 INTRODUCTION

Today, organisations are supposedly relentlessly customer-centric and only focus on creating value. Consultants coin buzzwords such as 'Strategic Intuition', 'Organisational DNA' and 'Effectuation' and drive 'Green' Strategies forward. Organisations that do not necessarily understand these buzzwords or the rapidly changing environment, appoint consultants to enable them to understand and remain competitive. It is therefore critical to identify, understand and mitigate the liabilities consultants face and to eventually formulate and introduce a framework which will enable management consultants to understand the liabilities they are most likely to encounter in the process of assisting organisations with strategising.

Firstly, this chapter reports on the research methodology used to conduct the research on which this dissertation is based. Secondly, the 18 liabilities (excluding the liability of successful consulting) identified by the research and their associated preconditions are presented. Thirdly, the observed phases of consulting are reported. This chapter concludes by presenting the factors that could either mediate or moderate the impact of the liabilities on the successful completion of a strategising project.

4.2 RESEARCH DESIGN

This section covers three aspects of the research design. These are the research approach, research strategy and the research methodology. This is similar to the design that Serfontein, Basson and Burden (2009) describe.

4.2.1 Research approach

The research is considered as an applied empirical study, both exploratory and descriptive in nature, and has made use of qualitative (textual) data (Saunders, Lewis and Thornhill, 2007). It collected new textual data, aimed directly at solving a problem has been experienced by consultants. The research further explored, identified and described the (problems) liabilities (problems) experienced by 17 management consultants. Table 4.1 summarises the research design.

Table 4.1: A summary of the research design

Research design	
Data collection method	Qualitative (Literature review and semi-structured interviews)
Target population	Independent management consultants and consultants employed by management consulting firms.
Number and type of research participants	17 Management consultants
Sampling method	Convenience and snowball sampling
Target sample size	12 -15 units
Geographic location(s) or venue(s) where data was collected	The location of the interviews was determined by the consultants. Interviews were also conducted using Skype.
Records/databases/financial statements/reports to be reviewed (i.e., analysis of secondary data)	A literature review was conducted prior to the commencement of interviews.
Unit of analysis	The liabilities that intervene in the relationship between management consultants and the successful completion of a strategy consulting project.
Logic linking the data to the propositions	The experiences of various management consultants form a liability pattern. The liabilities identified by management consultants are not all documented in literature, while literature documents liabilities that management consultants do not experience.
Criteria for interpreting the findings	Similarities in the liabilities experienced by management consultants are recognised and liability patterns can be established.

4.2.2 Key scientific beliefs

This section is concerned with the research philosophy of the study.

Research paradigm / philosophy

The candidate and her study leader's (herein after referred to as the "researchers") specific methodological values, beliefs and particular philosophical assumptions, could influence the way in which research was conducted and interpreted. These assumptions are therefore stated to facilitate an understanding of the philosophical and cognitive climate in which the research was undertaken.

Ontological Position

Ontology addresses the following question: "What is the form and nature of reality and what can be known about that reality?" (Ponterotto, 2005:130).

The study leader is an objective realist who believes that knowledge comes from facts associated with the case and the context. If the study leader found repeated preconditions, liabilities and responses, he could generalise them.

The candidate is a constructionist realist and believes that reality is a complex and dynamic system that is constructed by people in their interaction with each other. As such, the candidate conducts research from a holistic perspective with the main objective to develop an understanding of the whole, as well as how each part of the research contributes to the whole (Ponterotto, 2005; Guba and Lincoln, 2005).

Central to these paradigms is the interaction between the researchers and participant(s), allowing a deeper understanding of the phenomenon being researched (Ponterotto, 2005; Guba and Lincoln, 2005). Balogun *et al.* (2003) indicate that S-as-P research should simultaneously concentrate on depth, context and detail, while being broad in its scope, suggesting that the combination of the researchers' paradigms are suited for S-as-P research.

Epistemological position

Epistemology primarily addresses the following questions: "What is knowledge?" and "How is knowledge acquired?" (Ponterotto, 2005:131).

In combination, the researchers believe that knowledge is a combination of verified hypotheses or propositions, which can be regarded as facts, as well as an understanding of how and why people do certain things. The study leader conducts research primarily from a positivist-paradigm and the candidate mainly from an interpretivist paradigm.

The candidate conducted the research on which this dissertation is based, while the study leader oversaw the process.

4.2.3 Research strategy

The study was conducted in two separate but interlinked phases. Phase 1 used a non-empirical research design in the form of a conceptual analysis of academic literature. Phase 2 further elaborated on phase 1, using an empirical research design in the form of individual interviews. The interviews were undertaken to identify additional liabilities, and to establish the practical relevancy of the liabilities identified in the literature review. The researchers reasoned inductively, and observed patterns that emerged in the data obtained, without having a specific set of rules.

4.2.4 Research method

The research methodology used in both research phases is discussed in this section.

Phase 1: Literature review

Literature was selected through a combination of integrative literature review procedure (Babbie, 2008; Coopers and Schindler, 2008; Creswell, 2009; Mouton, 2001; Kirkevold, 1997; Nienaber, 2010), and the systems approach.

The systems approach is a procedure often used by engineers to find optimal solutions for research- and project -related problems. Research problems, both simple and complex, could have far -reaching consequences which bear little resemblance to the original problem. The systems approach is used 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, interrelationships between the

relevant liabilities, and mediating and moderating factors associated with the relevant liabilities.

The scientific databases searched were Ebsco-host, ProQuest, Sabinet and Emerald as these databases are not only considered to be the leading databases in business and management, but further enabled the widest possible search of the key terms. Pro Quest explored more than 3 000 journals, Ebsco-host searched over 1 200 journals, Emerald investigated more than 200 journals, and Sabinet explored over 800 journals.

The databases were searched for publications that were published after 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, the date was not a limitation, particularly when the work was high on the citation indices. The time of publication was not considered significant; however, relevance and contribution to the body of knowledge regarding consultants, liabilities and their influence on successful organisation strategising, were paramount.

At first, a search for 'S-as-P/ micro-strategy/ 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. Works were included if they reported on:

- The tasks or activities of management consultants;
- The nature of the consultant–client relationship;
- The contribution of consultants to strategy;
- The barriers, limitation or liabilities faced by consultants;
- The content of management consultant failure;
- The content of management consultants and business strategy; and

- The origin/history/evolution/development/future of the concepts of consultants, liabilities and strategy.

Second and third round searches were conducted using author's names, in addition to the use of keywords for cross-referencing. Bibliographies of important articles were searched and accessed to build up an extensive list of articles meeting the criteria.

After reading and analysing the abstracts of articles, those works than 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 (constructs) became clearer, works pertaining to these constructs were further explored. The main constructs were defined and a fourth-round search pertaining to the specific constructs was conducted.

Contextual implications were then considered in order to determine how the different constructs (variables) manifest under different circumstances. 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 the same works started to emerge repeatedly in searches, and no further pertinent information became available. This implied that the actual number of works screened became of less importance. The number of works screened may not be all-inclusive, but they do represent a wide range of consultant, liability and strategy works.

A conceptual literature analysis is basically a review of secondary textual data, and as such, the reliability (accuracy and precision) of the conceptual literature analysis was achieved by ensuring that high quality information sources were reviewed. The reliability of sources was evaluated based on the following five factors, as defined in Cooper and Schindler (2008), namely purpose, scope, authority, audience and format.

The validity of the liabilities, interrelationships, as well as the mediating and moderating factors was ensured through content and criterion-related validity (Cooper and Schindler, 2008).

Phase 2: Individual interviews

An interview is a versatile and flexible method of gathering primary data. It consists of a face-to-face, two-way conversation between the interviewee and the candidate. However, due to technological advances such as Skype, interviews do not have to take place with the interviewee and candidate being in the same place (Zikmund, 2003; Cooper and Schindler, 2008).

Sampling

Due to the inaccessibility of the broad population, a non-probability, snowball sample of management consultants was used (Noy, 2008). Ten consultants affiliated with well-known consulting firms, six independent consultants, as well as one freelance consultant were subsequently interviewed. At this point, data saturation occurred and no further interviewees were sought. According to Guest, Bunce and Johnson (2006) one can make evidence-based recommendations based on a non-probabilistic sample of 12 interviewees, as saturation normally occurs at this point.

Table 4.2, provides information on the demographics of the interviewees participating in the study.

Table 4.2: Interviewee demographics in the study

Interviewees	Affiliation	Exposure	Experience	Highest qualification	Recorded*
1	Independent	Africa	20 years	Doctorate	Yes
2	Independent	Local	6 years	MBL	Yes
3	Contract	International	12 years	Doctorate	Yes
4	Independent	Africa	20 years	Doctorate	Yes
5	Independent	International	14 years	Doctorate	Yes
6	Independent	Africa	16 years	Doctorate	Yes
7	Dependent	International	5 years	Honours	Yes
8	Dependent	International	10 years	Honours	Yes
9	Dependent	International	5 years	Masters	Yes
10	Dependent	Local	5 months	MBA	Yes
11	Dependent	Africa	8 years	MDP	Yes
12	Dependent	International	6 years	Bachelors	Yes
13	Dependent	Africa	13 years	MBA	Yes
14	Independent	Africa	12 years	Doctorate	Yes, but in-audible
15	Dependent	International	12 years	Bachelors	Not allowed
16	Dependent	Africa	13 years	Honours	Not allowed
17	Dependent	Africa	15 years	No tertiary education	Not allowed

**Recordings have been added in Plate 1*

Interview Protocol

The candidate conducted a semi-structured interview with each of the interviewees. The interview protocol for each interviewee included the following:

1. Are you currently employed by a management consulting firm, or are you practising as an independent management consultant?
2. How long have you been a management consultant?
3. Have you consulted in a country other than the country you permanently reside in, and if so, in which country?
4. Do you believe there is a difference in the liabilities experienced by a management consulting firm or an independent management consultant?
5. Describe your work.

6. What qualifications do you believe are necessary for a person to be able to undertake your work?
7. What qualifications do you have?
8. How do you define strategising?
9. When do you consider yourself successful?
10. Without feeling insulted, what do you consider your greatest weakness when it comes to consulting?
11. Without being modest, what do you consider your greatest strength when it comes to consulting?
12. List the biggest challenges or barriers you face in the process of assisting organisations with strategising.
 - a. Which of these challenges or barriers do you deem to be the most significant?
 - b. Provide a motivation for selecting the above factor.
13. Using the scale provided, rate the factors as a hindrance to the success of a consulting session.
14. Do you think that there are different phases during a consulting session? If so, please name and explain these phases.
15. Do you agree that the seven factors below are indeed liabilities (hindrances/challenges) faced by consultants? If not, please indicate those that you do not agree with.
 - problem crystallisation
 - context knowledge
 - influential power
 - data overload
 - time
 - integrated activity
 - successful consulting
16. Using the scale provided, rate these factors as a hindrance to the success of a consulting session.
17. What is the single worst experience you have had with a client, and why?
18. What is the single best experience you have had with a client, and why?
19. Do you have any other comments, ideas or experience you wish to share?

Table 4.3, represents the seven-point rating scale that interviewees used during the interview to rate the liabilities.

Table 4.3: The seven-point liability rating scale

7	Major hindrance: Should you not overcome it, failure is apparent.
6	Considerable hindrance: Should you not overcome it failure is probable.
5	Hindrance: Should you not overcome it failure is possible.
4	Hindrance: Should you not overcome it efficiency and effectiveness is jeopardised.
3	Minor hindrance: Makes it difficult to do your job, but has a minor impact on the outcome of the consulting session.
2	Not a hindrance but an irritation
1	Non-factor

Data were collected between October 11 and December 9, 2011. Interviews were conducted in English and Afrikaans. Interviews were tape recorded and verbatim responses to each question were transcribed and translated, using a standardised transcription protocol (McLellan, MacQueen and Neidig, 2003).

The transcripts, field notes and tape recordings were then imported into ATLAS.ti (a qualitative research computer program) for analysis. The transcripts and tape recordings were linked using the association function of ATLAS.ti. Using inductive reasoning, the data was firstly coded holistically and secondly, initial deep coding was conducted. This resulted in 304 codes. These codes were then, using descriptive coding, screened for similarities and patterns, resulting in 50 code families. Pattern coding continued and 19 categories of liabilities emerged.

To be clear, the primary aim of Phase 2 was to determine the practical relevancy of the liabilities identified in Phase 1, as well as to identify any liabilities experienced but not documented in literature. As such, autonomous counting was introduced by the candidate to develop a summary of the data set. These numbers together with the qualitative data gathered from ATLAS.ti, were then scrutinised to discern the patterns reported in the next section (Hannah and Lautsch, 2011).

Strategies used to ensure trustworthiness of data

Guba and Lincoln (2005) suggest that when conducting qualitative research data trustworthiness is established through credibility, transferability, and dependability and conformability.

This study ensured credibility through prolonged engagement dual researchers and 3) peer debriefing. Transferability is ensured through thick descriptions of both the research methods and findings. Dependability and conformability is ensured by using ATLAS.ti which automatically creates a clear audit trail, and storing raw-data on a secure website.

4.3 FINDINGS

An analysis of the interview data resulted in the identification of 18 (excluding the liability of successful consulting) liabilities. These liabilities have been summarised in Table 4.4. This table also presents the associated quantitative data (obtained from ratings given to the various liabilities by the interviewees).

Table 4.4: Liabilities identified from consultant interviews and associated quantitative data

Liability of	<i>n</i>	Average	Median	Mode	SDev	High	Low
Problem crystallisation	12.00	6.29	7.00	7.00	1.08	7.00	4.00
Trust and relationships	11.00	6.09	6.00	6.00	0.94	7.00	4.00
Integrated activity	14.00	5.96	6.00	5.00	0.93	7.00	5.00
Unconsidered change	3.00	5.67	6.00	—	1.53	7.00	4.00
Perception and expectation	9.00	5.61	6.00	6.00	1.05	7.00	4.00
Communication competence	9.00	5.44	5.50	4.00	1.16	7.00	4.00
Team functioning	6.00	5.33	5.00	5.00	0.75	6.50	4.50
Context knowledge	19.00	5.26	5.50	7.00	1.52	7.00	2.00
Individual prejudice	4.00	5.25	5.50	—	1.71	7.00	3.00
Revenue attainment	4.00	5.25	5.50	—	0.96	6.00	4.00
Influential power	23.00	5.17	5.00	6.00	1.33	7.00	2.00
Time	10.00	5.05	5.00	5.00	1.57	7.00	2.00
Scope creep	3.00	5.00	5.00	—	0.00	5.00	5.00
Maverick consultants	1.00	5.00	5.00	—	—	5.00	5.00
Non-implementation	3.00	5.00	5.00	—	1.26	6.00	3.50
Information overload	21.00	4.43	4.00	4.00	1.34	7.00	2.00
Fast movers	1.00	3.00	3.00	—	—	3.00	3.00
Successful consulting	11.00	2.36	1.00	1.00	2.38	7.00	1.00
Intellectual property	1.00	—	—	—	—	—	—

It is important to note that in Table 4.4, n refers to the number of times a specific liability and all its associated preconditions were mentioned by the interviewees.

An in-depth discussion of the data is incorporated into the discussions of the various liabilities. It is however appropriate to indicate which of the liabilities identified in literature were indeed experienced by the interviewees, as it facilitates the reading and understanding of the findings.

Table 4.5, is a matrix indicating how the literature findings were incorporated into the interview findings, with the number in the matrix indicating the average rating of each liability, as rated by the interviewees. This liability matrix also indicates how the literature findings were confirmed by the interview findings and the average rating by interviewees interviewed.

Table 4.5: Liability matrix

		Identified in literature											
		Liabilities						Moderating or mediating factors					
		Context knowledge	Information overload	Influential power	Integrated activity	Problem crystallisation	Successful consulting	Time	Adaptivity	Cognitive Recipe	Client engagement	Legitimacy	Change
Liabilities identified in interviews	Communication competence												
	Context knowledge	5.26*											
	Data and information		4.43*										
	Individual prejudice												
	Influential power			5.17*									
	Integrated activity				5.96*								
	Perception and expectation							5.61*					
	Problem crystallisation					6.29*							
	Revenue attainment												
	Scope creep												
	Successful consulting						2.36*						
	Team functioning								5.33*				
	Time							5.05*					
	Trust and relationships										6.09*		
Unconsidered change												5.67*	

*The score refers to the average rating given to a liability by the interviewees

The liability matrix in Table 4.5 indicates that the interviewees confirmed the existence of most (all except the liability of successful consulting) of the liabilities identified in literature, while the consultants incorporated and increased the status of certain mediating and moderating factors to liabilities. The identified liabilities are discussed in the section below.

4.3.1 Liability of problem crystallisation

During the Chinese Warring States Period (476-221 BC), Sun Tzu (2005) suggested that the recognition of, and knowledge about a problem is the key to its solution. This statement is echoed in the 21st century by Rumelt (2011), 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, it has to be formulated and then presented in a communicable form. The error associated with communicating any problem lies in choosing to represent the problem in a manner which effectively changes the question. Mitroff and Featheringham (1974) identified an 'error of the third kind' associated with hypotheses testing, namely, the probability of solving the wrong problem, or in this case, the probability of incorrectly communicating the problem.

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. Different inquiry systems result in – irrespective of the problem – different representations of the problem (Mitroff and Featheringham, 1974).

The probability of making an 'error of the third kind' is mostly dependent on the problem solver's (consultant's) inquiry system. The consultant's preferred inquiry

systems eventually influence the type and number of viable courses of action (i.e., strategies) available to the consultant. Therefore it can be said that the consultant's preferred course of action inevitably influences the outcome of the strategy (Mitroff and Featheringham, 1974).

Problem solving requires focus, and consultants are often in the position where they have to choose one specific course of action, or 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 actions in a mismatched pool of goals and objectives (Neilson *et al.*, 2008).

Consultants are regarded as problem solvers, and also intervention specialists who are generally needed only when a problem cannot be solved by an organisation internally (Antal and Krebsbach-Gnath, 2001). Organisations are however, reluctant to admit that a problem exists, allowing extended periods of time to pass from when the problem is first recognised until such time as a consultant is appointed to intervene. This time-lapse exacerbates the severity of the 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', - in this case, 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, 2001).

This unwillingness of organisations to communicate the true problem results in consultants not knowing what the expectations of the organisations are. These unarticulated expectations form the metrics against which consultant success is eventually judged.

The liability of problem crystallisation therefore has the following preconditions:

- Failure to identify the root causes of a problem faced by an organisation;
- The inability to communicate the problem correctly;

- Insufficient knowledge about the problem;
- Inadequate experience in dealing with the problem;
- An inability to choose between different courses of action;
- Organisational reluctance to appoint consultants;
- Organisational reluctance to provide the necessary information;
- Behavioural changes triggered by the arrival of consultants; and
- Unarticulated expectations.

Rumelt (2011) suggests that should the consultant not be able to mitigate the liability of problem crystallisation, a 'good strategy' cannot be developed. Instead, in such cases the consultant only presents the organisation with a very elaborate – and often expensive – wish list. Interviewee 15 concurs and suggests that “even a ten per cent breakdown in the understanding of the problem” could result in potential failure of a project.

Consultants are however, of mixed opinion with regards to the pre-conditions associated with the liability of problem crystallisation. The options of consultants with regards to the associated pre-conditions are briefly reported here.

Failure to identify the root cause of the problem

Three of the consultants interviewed suggested that due to the scoping agreement signed, a consultant is limited to achieving the main deliverables set out in the agreement, and as such, rated it as a non-factor (Interviewee 3; Interviewee 6; Interviewee 10; Interviewee 11; Interviewee 16). Interviewee 6 elaborated further “...in all the work I've done, I think the major issue is that the problem identified by the company, really is the final problem.” Interviewee 16 agrees, suggesting that every project has a 'starting point' and it is “often easier to use the starting point suggested by the client” than trying to “draw a picture from scratch.”

Interviewee 3 agrees with the fact that the client determines the problem. Interviewee 3, however suggests that “nine times out of ten, the client won't cover the whole problem”, adding that this is mainly due to ignorance, the perception that solving the whole problem is unaffordable, and undisclosed inside information that the client

does not wish to share with the consultant. Interviewee 3 nonetheless rates root cause identification as a level 4 hindrance that will jeopardise the efficiency and effectiveness of the consultant, if consensus on the scope (problem to be solved) of the project is not clearly articulated in the first four phases of the consulting process.

Root cause identification received an average rating of six from the remaining 12 consultants, with the highest rating being a seven and the lowest rating being a four. This would suggest that 70% of the consultants interviewed view root cause identification as a hindrance that, if not overcome, will make failure of the consulting project probable.

An inability to choose between different courses of action

Consultants suggest that during Phase 5 (discussed herein point 4.4) of the consulting process, they make suggestions on various courses of action to the client or project sponsor. This person is then guided through the different options and makes a selection that will best fit with the organisation – as such, this is deemed by the consultants interviewed as a non-factor (Interviewee 3; Interviewee 5; Interviewee 14; Interviewee 10; Interviewee 9; Interviewee 11).

The following pre-conditions are not viewed as such by the consultants interviewed, who have suggested that they are liabilities in their own right:

- The inability to communicate the problem correctly, renamed to the 'liability of communication competence';
- Insufficient knowledge about the problem, and inadequate experience in dealing with the problem can be mitigated by assigning the right team to a particular project, renamed to the 'liability of team functioning';
- Organisational reluctance to appoint consultants, with specific reference to the impact of individuals who have a total intolerance of consultants forms an integral part of the 'liability of individual prejudice';
- Organisational reluctance to provide the necessary information and behavioural changes triggered by the arrival of consultants; form an integral part of the 'liability of information overload';

- Unarticulated expectations form an integral part to the 'liability of perception and expectation'.

4.3.2 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 been ultimately solved by members of the organisation, a consultant's suggestions will always face 'internal resistance'. As a result of this internal resistance, a good strategy may not be implemented, or an essential change may not be effected. In order to successfully strategise, consultants therefore need to transfer their knowledge to the organisation, while directing the organisation from the peripheral (Jacobson, Butterill and Goering, 2005; Antal and Krebsbach-Gnath, 1997).

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 skilfully interlink different perceptions of the reality. The texts produced must in fact convince the reader thereof, that the consultant was only a catalyst through which the organisation itself strategised successfully (Wright, 2011; Hendry, 2000; Barry and Elmes, 1997).

It is this slight misrepresentation of the facts which 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 new-found 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 an increased difficulty to strategise successfully as consultants. When they are eventually contracted, they face:

- An increased difficulty to identify 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.

On average, the liability of successful consulting scored as a level 2 hindrance, suggesting that it is more of an irritation to most consultants. In general, consultants feel that organisations know that they "are there to help the organisation" and they "do not have the internal capacity to solve the problem" (Interviewee 13). The majority of consultants believe that it is a joint operation where "the consultant owns the process and the client owns the content" (Interviewee 14), further suggesting that the liability of successful consulting might extend only to "making your project sponsor look good" (Interviewee 9; Interviewee 11; Interviewee 12).

However, the average score of four from the three senior consultants interviewed suggests that it will affect the efficiency and effectiveness of a consultant (Interviewee 3; Interviewee 4; Interviewee 6).

Interviewee 5 suggests that one cannot generalise the liability of successful consulting, as in his opinion it is influenced by the specific stage the organisation occupies in its lifecycle, the severity of the problem, and the industry of the organisation. He proposed that an organisation facing failure and which is in the decline stage of its lifecycle is beyond the point of games.

The overwhelming negative response, with one consultant suggesting it "perhaps is more of a theoretical argument" (Interviewee 12) prompted consultants to define a successful consulting project. The descriptors used by all the consultants interviewed, were combined into the following definition of a successful consulting project:

A consulting project is deemed successful when a consultant is able to add value to, and increase the profitability of the organisation by offering the organisation easily

understood, implementable solutions while meeting the main deliverables set by the organisation in a manner that not only meets the consultant's own standards, but also exceeds the expectations of the client in such a way that the consultant is revered by the organisation and receives payment without question. [Author's own compilation, based on interview data]

4.3.3 Liability of context knowledge

The liability of problem crystallisation suggests a relationship between 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, 2001, Yang and Haiwei, 2006; Hendry, 2000; Kieran, 1998).

The liability pre-conditions 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 organisation's internal and external environment; as well as,
- The fit between the consultant and the specific organisation's context.

The five categories of environmental (contextual) and socio-cultural factors which influence the environmental liability are listed below. For the purpose of this study these factors are defined from a consultant's perspective. As such, these categories deviate from the normal distribution of external and internal environmental factors affecting the organisation (Bruyn and Kruger, 2006).

Short overviews of the contextual and socio-cultural factors which do not form an integral part of other liabilities and influence the success of a consulting project are given, and the interviewed consultants' perception of the factors' combined impact on successful strategising, are discussed.

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, 2001).

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. These factors are:

- social stratification;
- education levels;
- language;
- religion;
- political philosophy; and
- economic philosophy.

The organisation or individual, however, adapts and changes the macro environmental cultural web and forms an organisation- or individual-specific culture. Social Architecture is therefore regarded as a macro-, meso- and micro-liability.

According to Hill (2009) as well as Kitay and Wright (2007), 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, as well as
- the level of internal resistance to implement the consultant's recommendations.

Interviewee 8 suggests that social architecture could be more pertinent to international consultants as it creates, not only a language barrier, but also a cultural barrier to effective communication, suggesting a possible relationship between the liability of context knowledge and the liability of communication competence.

This factor further indicates a possible relationship between the liabilities of context knowledge, perceptions and expectation, as well as individual prejudice.

Liability of industry key success factors

Consulting forms part of the Knowledge Economy (McKenna, 2006) or Knowledge Industry (Fincham, 1999). Consultants are, however, not always knowledgeable about their client's 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 'harmful' to the organisation. Harmful strategies, and strategic liabilities, decrease economic rents and lead to a competitive disadvantage (Arend, 2004).

Liability of client 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. 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, Narus and Rossum, 2006).

When an organisation is out-of-sync with its customers, sales will eventually begin to decline. Left unattended, this could potentially result in failure of the organisation. It is therefore imperative that the consultant is able to understand the value proposition of the organisation. This will ensure that any changes to the organisation, proposed by the consultant, are aligned with the organisation's value proposition (Anderson, Narus and Rossum, 2006).

The remaining two factors, namely, the organisation-specific management style and perception are integral to the liabilities of team functioning, perception and expectation, as well as information overload. This would suggest that a possible relationship exists between these liabilities. These factors will be discussed in more detail in the corresponding sections.

The liability of context knowledge, or as Interviewee 15 described it 'being relevant', was scored on average as a level 5 hindrance by the consultants interviewed with a highest score of 7 and a lowest score of 3.5. This would suggest that consultants consider the failure to make sense of (Interviewee 1; Interviewee 4) the "complexity of the context" (Interviewee 8) as not only intrinsic to adding value to the organisation (Interviewee 10), but also as an element that makes the failure of a consulting project possible.

The interviewees further suggested that the impact of the liability of context knowledge would be more pertinent in the pre-contractual consulting phases (Interviewee 5; Interviewee 10; Interviewee 9) and the level of the impact is determined by the type of consulting project (Interviewee 7).

4.3.4 Liability of influential power

Post-it notes are small pieces of paper that generally contains important information. These post-it notes are, however, just stuck onto a document for a short while and never form part of the document. Consultants can be compared to post-it notes, as they too contain important information and are just 'stuck' onto the organisation for a short while. As consultants serve a limited function, they are normally only granted limited execution power and discretion (Davenport and Early, 2010; Interviewee 4).

The consultant however, possesses knowledge and expertise that are both required by the organisation, effectively granting the consultant referent (trust) and expert power (i.e., 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 (i.e., the 'power over...') diminishing the consultant's ability to effect change (Göhler, 2009; Fullerton and West, 1996).

Effecting change is the true purpose of a consultant when strategising (Carter Clegg and Kromberger, 2008). 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 manipulator, 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 is increased significantly when organisations regard consultants as part of the overall management structure.

Influential power therefore has three pre-conditions, 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.

The interviewees on average scored the liability of influential power as a level 5 hindrance; suggesting that failure to mitigate the liability could make failure possible. "You only talk to the decision makers who've got influence and power in the company when you sell that proposal to the company. You don't walk into the projects. So, you network in advance, and you'd find out who of the people are the decision makers ... otherwise you're wasting your time" (Interviewee 3).

Interviewee 9 expands on this statement and suggests that should consultants initially lack the needed influence and power it can be created by commissioning a project steering committee consisting of the project sponsor (client), the organisation's CEO and other role-player that have been identified by these two individuals. Interviewee 16 further suggests that the liability of influential power becomes a greater hindrance as the consultant's level of engagement (management level) increases and points out that it can become 'dangerous' if all the consultants on a team start engaging power players in an organisation.

The possibility, however, exists that the CEO could be found to be the root cause of the problem (Interviewee 6), or in the case where a consultant has been appointed by the shareholders or Director of Strategy, that the CEO would become a hindrance to the consultant (Interviewee 14). Consultants have indicated a possible relationship between the liabilities of influential power and individual prejudice.

4.3.5 Liability of information overload (also referred to as the liability of data and information)

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 (Lubit, 2001; Göhler, 2009).

The two factors that contribute to the liability of information overload, namely data overload and access to accurate information is briefly discussed and the interviewed consultants' views on these factors are reported.

Factor 1: Data overload

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 that huge amounts of information create (Edmunds and Morris, 2000). Information overload is simply having too much information to make sense of, or use effectively.

The pre-conditions of the of data overload fall into four categories:

- Customer data overload, specifically the amount of information and data available to customers or clients (Edmunds and Morris, 2000);
- Organisational data 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);

- Personal data overload, referring to the individual's ability to process the huge amount of information (Edmunds and Morris, 2000); and finally
- 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 (Interviewee 14; Interviewee 9).

During the process of strategising, data 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).

Data overload is often regarded as a product of the World Wide Web (Edmunds and Morris, 2000). This is however, not true. Data overload in the process of strategising, 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 you are unable to distinguish between 'noise' and crucial information. In order to become 'data 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 relationship between the liability of problem crystallisation and the liability of information overload.

Overall, data overload was scored by the consultants interviewed as a level 4 hindrance, with the ability to jeopardise the efficiency and effectiveness of a consulting project. Of the four pre-conditions, only personal data overload, referring to the consultant's ability to distinguish between noise and crucial information, was positively identified by the consultants as a hindrance (level 5) that could have an impact on the success of a consulting project. The interviewees further suggested that when personal data overload is combined with time constraints, it could become a major hindrance (Interviewee 4; Interviewee 5; Interviewee 11; Interviewee 12).

The consultants grouped the remaining three pre-conditions into one overarching factor, namely the Google factor. Interviewee 2 compared the effect of the Google factor to a patient that has researched his or her illness before visiting a specialist

medical doctor and subsequently constantly corrects the doctor's diagnoses. The majority of the interviewees agreed with this analogy and did not regard the Google factor as a 'train-smash' (Interviewee 3) while Interviewee 4 and Interviewee 12 rated the Google factor as a 'possible good thing'.

Factor 2: Access to accurate information

The interviewees argue that the availability of, and their access to, accurate information constitute a considerable hindrance that could make failure of the consulting project probable, and they further suggest that when a consultant is "up against a deadline" (Interviewee 4, 2011) the availability of crucial information becomes critical. The consultants moreover believe that should a consultant have sufficient insight into the organisation-specific context and the influence/power dynamic of the organisation, they will be able to access and obtain accurate information in a timely manner, implying that a relationship exists between the liabilities of information overload, context knowledge and influential power (Interviewee 1; Interviewee 3; Interviewee 5; Interviewee 13; Interviewee 2; Interviewee 7).

The possible relationship between the liability of information overload and the liability of context knowledge is evident from literature. Factor 4 of the liability of context knowledge is briefly described.

An organisation is the sum of hundreds – even thousands – of processes, structured in such a manner as to produce a certain, desired output (Harrington, Gupta and Voehl, 2009) These processes are planned, organised, controlled and managed by people – the management of the organisation (Oosthuizen, 2006, Neilson, Martin and Powers, 2008).

Each management team has a different background, has had different training and is motivated differently. This affects the manner in which management manages and structures the processes that constitutes an organisation, collectively known as the management style of an organisation (Lebestky and Tuggle, 1975).

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. Lebestky and Tuggle (1975) suggest that the organisation-specific management style directly influences:

- 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.

This specific factor was directly referred to by three consultants who suggest that the organisation specific management style, politics and culture could jeopardise the efficiency and effectiveness of a consulting project, should it impede the consultants' ability to deliver on the contractual deliverables (Interviewee 10; Interviewee 12; Interviewee 13).

Interviewee 16 suggests that in a effort to protect the 'brand' of the consultant or consulting firm, a consultant must be able to know when to walk away from a project, when to stand his or her ground, and when to keep quiet. This suggests firstly, that the consultant must stay relevant in his or her chosen methods so as to not be surprised by any suggestions made by organisations. Secondly, when an organisation insists on using a method that the consultant knows to be wrong, does not give the consultant the information needed, or displays high levels of resistance to the consultant, the consultant must walk away from the project.

4.3.6 Liability of time

Time has two major implications for a consultant, namely:

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

- The time-constraint faced by consultants directly influences their ability to successfully strategise. 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 in discerning between 'noise' and crucial information.

These effects suggest a further relationship between the liability of time and:

- the liability of problem crystallisation, in that an inability to cope with increased psychological pressure results in consultant writer's block, leaving them unable to identify even the most obvious of problems.
- the liability of information overload, as time-related stress causes a person (consultant) to temporarily become 'information illiterate'.

The liability of time therefore has three pre-conditions:

- The time-constraints imposed on consultants by organisations;
- The consultant's psychological reaction to an imposed time-constraint; and
- The consultant's ability to remain efficient, given the time constraints imposed by organisations.

Efficiency relates to the consultant's ability to distinguish between speed (the effective and efficient use of limited time) and haste (producing an unsatisfactory result within the allocated time frame). This distinction between speed and haste will ultimately affect the consultant's reputation. The reputation of a consultant ultimately determines whether the consultant will get new and repeat business – enabling the consultant to make a living from consulting work (Appelbaum and Steed, 2005; Kitay

and Wright, 2007). This suggests a possible relationship between the liabilities of time and the liability of revenue attainment.

Ten of the consultants interviewed rated the liability of time and, on average, consider it as a level 5 hindrance, suggesting that if it is not managed by the consultant, it could make failure of a consulting project possible. The remaining seven consultants were, however, of the opinion that time in itself is "as much of a hindrance that you make it out" (Interviewee 12,). This is mainly due to the consultant being able to negotiate the time frame of the project in Phase 4 of the consulting process.

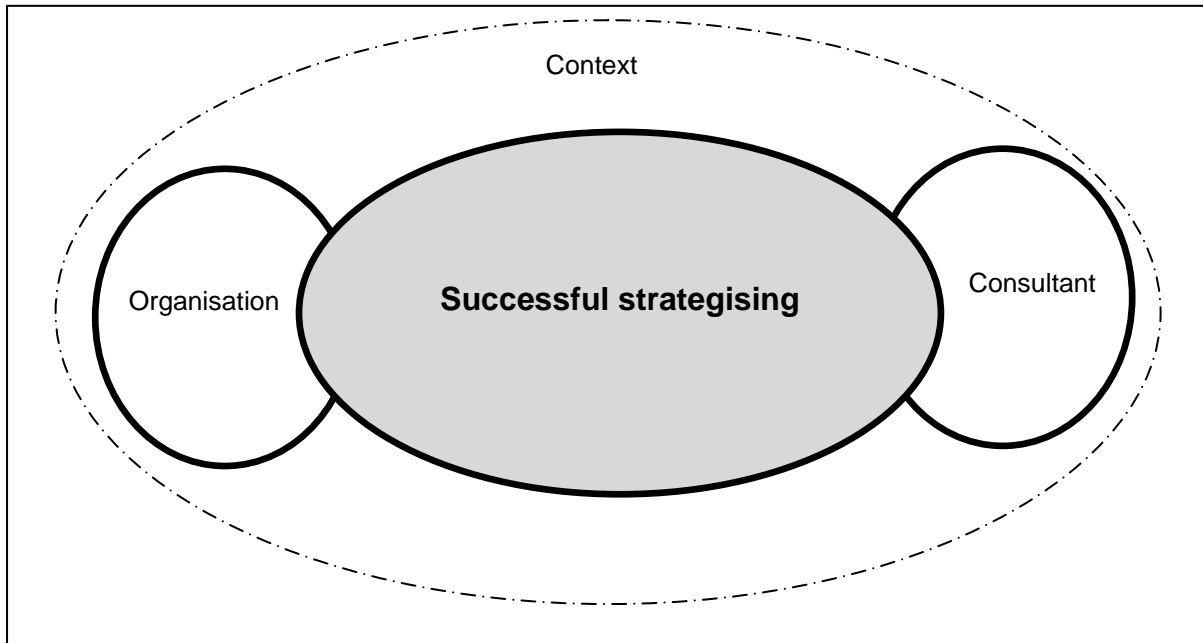
4.3.7 Liability of integrated activity

A stage play is performed by different actors each playing their part (role). Actors are limited to their assigned roles, and cannot read each other's lines, nor play each other's parts, as this will create chaos. The play's director skilfully ensures that the actors and the story fit together, and that the actors each play their assigned role, as this will permit the longest stage time.

In a similar manner, the consultant, when directing the organisation, 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 Holtzhausen, 2008; Antal and Gnath, 1997).

Figure 4.6 clearly illustrates that consultants and organisations are distinctly separate entities. Successful strategising is, however, further dependent on the fit between these two entities. This fit however, does not happen in isolation and is context (environmentally) dependent (Davenport and Early, 2010; Norman, 2007, Kitay and Wright, 2007).

Figure 4.2: Successful strategising is dependent on the fit between the consultant, organisation and context



Source: Own Compilation

Interviewee 3 is, however, of the opinion that the fit between the consultant, organisation and context would be more of a hindrance to independent consultants, as consultants that work for firms are deployed to a project, based on their expertise and experience with the project-specific context. Consulting firms, furthermore, have the ability to change consultants around should they not fit in with the organisation. A possible relationship therefore exists between the liabilities of integrated activity and team functioning.

The pre-conditions for the liability of integrated activity lie in the paradoxical nature of this fit. It is considered paradoxical due to:

Communication: A consultant must be able to see how the process changes will, in time, create a competitive advantage and communicate this to the organisation. In the process of communicating, tacit knowledge is reduced to explicit text, making it simple to imitate – which constitutes a loss of advantage (Wright, 2011). This indicates a possible relationship between the liabilities of integrated activity and communication competence.

Routines: A consultant must be able to balance the organisation's routine for success and its capacity for reinvention. Routines create security and stability in an organisation. However, once processes become routine, they become easy to imitate and any competitive advantage associated with the process is lost (Jarzabkowski, 2004).

Simplification: A consultant must be able to simplify complex changes to ensure organisational understanding. Simplicity, however, increases imitability 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 of existing knowledge. Knowledge plays a paradoxical role in creating novel, intuitive, creative ideas, typically that of enhancer or inhibitor. A consultant must therefore be able to combine individuals with different knowledge structures or thinking patterns to ensure creativity (Ward, 2004; Lumsdaine and Lumsdaine, 1995).

Structure: Successful strategising requires the division of responsibility and accountability, free flow of information and the ability to not second-guess decisions. This requires structure. However, structure creates a division between hierarchal levels and causes higher-level employees to consider the implementation of strategy as 'beneath them'. A strategy is only as successful as the organisation's ability to implement it. A consultant must, therefore, be able to simultaneously formulate and implement a strategy. This can only be done by getting the lower-level employees, who execute a strategy, involved in the planning, thereby disregarding structure (Hrebina, 2006; Neilson *et al.*, 2008). This alludes to a possible relationship between the liabilities of integrated activity, information overload, 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 remake their own version. Organisations subsequently often keep this new technology closely-guarded until it has been commercialised. However, in doing this

new products are often sprung onto an unsuspecting market and rejected, or the market accepts the novelty for a while and then returns to what is known (Liability of Adolescence).

Integrated activity – or systems thinking, as the interviewees named it – is the "fundamentals of consulting, we need to be able to see the big picture as well as complete detail" (Interviewee 7). Consultants further suggested that "the more of a big picture approach you take, the more sustainable your solution is" (Interviewee 9), and that there is a possible relationship between the liabilities of integrated activity and time, "...I suppose anyone can, over time, figure out how the big picture and things fit in but you don't have time ... you can't take like three months; you know what I mean? The shorter the time you figure it out and how it all plays together, the more effective you are as a consultant..." (Interviewee 10).

Scoring on average as a level 6 hindrance, consultants believe that should the liability of integrated activity not be overcome, it would make failure probable. Consultants feel so strongly about it that they suggest that if a person is not able to overcome this liability they should get training or change profession (Interviewee 9).

4.3.8 Liability of team functioning

To understand the liabilities faced when consultants are doing their work, it is necessary to understand what consultants consider their work to be. The interviewees were asked to describe their work, and the descriptors used by all the consultants interviewed were combined into the following definition of the work of a management consultant:

Consultants sell value-adding solutions and change to client organisations by providing the client organisation with an external perspective on their current path; advising the client organisation on possible new paths and assisting the client organisation in implementing the new path, by acting as a path guide. This is achieved by getting the right information, to the right person, at the right time and in the right format to enable the client organisation to make a decision [definition based on interview responses].

Of the consultants interviewed, 64% of them consider consultants to be in the "solutions or problem solving business" (Interviewee 4). The way in which a person thinks defines their problem solving method – their cognitive recipe. Consultants must therefore 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 (Romano and Brna, 2001; Ward, 2004).

The consultants interviewed suggested that consultants working for consulting firms are able to mitigate the weaknesses through working in a team, while independent consultants often struggle with this. Interviewee 4, a senior independent consultant, acknowledges that the absence of a team environment could be a hindrance faced by independent consultants.

However, in order for a team to mitigate the weaknesses of the consultant's cognitive recipe, it has to overcome the following pre-conditions:

- The team dynamic, in terms of cognitive recipe, experience, context knowledge and specialist qualifications, must fit the deliverables set in Phase 4 of the consulting process (Interviewee 3);
- Over-utilisation: Specialist and/or senior consultants are often spread across different projects; they are required to guide different groups of junior consultants and often have a "101 balls in the air" (Interviewee 3). These consultants more often than not, end up neglecting all of the projects and leave junior consultants without a guide, affecting the consultants' ability to add value (Interviewee 3); and
- Under-utilisation: Consulting firms often "sell too many consultants into a project" (Interviewee 7) and seasoned consultants are assigned to simple tasks, such as data capturing, which can in effect be done more efficiently by junior staff. This hinders the ability of the consultants to provide organisations with value adding solutions (Interviewee 7).

Team functioning, on average, scored as a level 5 hindrance, with consultants suggesting that should a firm not be able to assign "the right team for the job" (Interviewee 3), failure of the consulting project is possible. The interviewees further suggest that "the right team for the job" (Interviewee 3) is context-dependent,

signifying a possible relationship between the liabilities of team functioning and context knowledge.

Interviewee 3 suggested a further relationship between the liabilities of team functioning, successful consulting and influential power, by suggesting that the right team will include a senior consultant who is "... very close to the major decision makers and the client" and is very skilled at "convincing them of the benefit they'll derive if they spend more money on another consultant project and prove to them that deliverables will come out of it and how those will add value to the organisation."

4.3.9 Liability of trust and relationships

"Consulting is about building relationships, if you don't have a relationship with the client, forget about consulting with the client. If I cannot trust you ... I will never ever engage you as a consultant or I'll go to someone else."

The following pre-conditions will determine the level of trust within the consultant–client relationship:

- **Communication ability:** The manner in which consultants engage with clients determines the level of trust they will obtain from the client (Buday, 2003; Fincham, 1999; Göhler, 2009; Davenport and Early, 2010).
- **Consultant legitimacy:** Consultants are considered legitimate when they are able to create the perception of being able to succeed, authentic, independent, genuine, reliable, appropriate, just, acting with integrity and honest. The external perception of legitimacy originates from the consultant's (Berland and Werr, 2000; Singh, Tucker and House, 1986; Van Houten and Goldman, 1981; Interviewee 4, 2011; Interviewee 16, 2011):
 - knowledge – professional and academic credentials;
 - expertise – the ability to apply knowledge;
 - credibility – success track record;
 - communication ability;
 - persuasion ability; and
 - perceived contribution to the success.

- **Project legitimacy:** Interviewee 16 suggested that together with consultant legitimacy issues, consultants face project legitimacy issues, suggesting that in order to obtain buy-in the client must, not only understand the value that is added by the consultant, but also the value that is added by the project.

Of the interviewed consultants, 65% of them suggested that without trust and a relationship between the consultant and the client, buy-in will not be possible. Subsequently, trust and relationships scored on average as a level 6.5 hindrance, indicating that if a consultant is unable to build a relationship – based on trust – with the client, failure of the consulting project is apparent (Interviewee 1; Interviewee 3; Interviewee 4; Interviewee 5; Interviewee 9; Interviewee 11; Interviewee 13).

4.3.10 Liability of perception and expectation

According to the interviewees, part of the work of a management consultant is to provide the client with an external perspective of the organisation. However, the client does not always perceive this perspective as value-adding and consultants are faced with 'perceptual obstacles' (Interviewee 5). These 'perceptual obstacles' originate mainly from ex-ante 'unrealistic expectations' (Interviewee 3) of clients.

However, "consultants sometimes, probably are tempted to promise more than they can delivery in a time constraint" (Interviewee 3), creating the 'unrealistic expectations' of the client. Interviewee 17 suggests that the origins of the 'unrealistic exceptions'" could also be an inability of the consultant to "interpret and understand the client".

Interviewees, on average, scored an inability to constantly manage the client's perceptions and expectations as a level 6.5 hindrance, suggesting that if it is left unmanaged, failure of the consulting project is apparent (Interviewee 3; Interviewee 8; Interviewee 10; Interviewee 12).

The perception of a client is often shaped by certain elements of social architecture, such as social stratification and education level, which often affect the way in which organisations perceive or judge consultants. Interviewees, however, believe that

should a consultant or a team of consultants have enough soft skills and be flexible, adaptable and creative, they are able to change the perceptions of their clients. In an effort to obtain consultants with these soft skills, consulting firms are training and employing medical doctors and psychologists as management consultants. (Interviewee 14; Interviewee 2; Interviewee 12; Interviewee 13).

Adaptability refers to the consultant's ability to adapt to and fit into an organisation-specific context, while playing the role expected by the client. These roles include being (Kaarst-Brown, 1999; Kitay and Wright, 2007):

- a professional – sharing knowledge;
- a prophet – visionary, pioneer, creative;
- a partner – guide, confidant;
- a business person – deliver on-time, persuasive, communicator; and
- a service worker.

Interviewees inadvertently suggested a possible relationship between the liabilities of perception and expectation, team functioning and context knowledge.

4.3.11 Liability of unconsidered change

Interviewee 2 is of the opinion that "the arrival of consultants implies that a degree of change is coming". It is this "implied change", together with "not understanding why the consultant is actually there: (Interviewee 7) that often cause resistance to consultants' suggestions. During the interviews, 47% of the consultants suggested that resistance to change is a liability to consultants. Unconsidered change is one of the four fatal flaws in strategising with clients and the following elements of change are regarded as fatal:

- aiming for a once-off big solution, rather than incremental change, and
- ignoring the client's willingness to change.

Interviewee 15 regards unconsidered change as part of the 'legacy' of consultants, suggesting that "consultants like to be the glory boys, often entering the organisation

with a teacher–student mindset. They present workshops, mistake the nodding of heads for understanding, make changes and leave, often forgetting that in order to effect change they must win the hearts and mind of the organisation."

Unconsidered change increases the resistance of an organisation to implement the consultants' strategies (Interviewee 14) and was rated as a considerable hindrance that could make failure of a consulting project probable. Interviewee 9 suggests that the bigger the suggested change, the greater the resistance, with both Interviewee 7 and Interviewee 6 suggesting that it is often better to introduce systematic change or continuous improvement, than one big change.

During the interviews, consultants (Interviewee 7; Interviewee 15) suggested a possible relationship between the liability of unconsidered change and the liability of communication competence. They suggested that when a consultant fails to communicate the value that will be added by the project in an easily understood manner, the resistance to the suggested change will increase dramatically. Interviewee 7 rated failure to understand the value added by the consultant, as a level 6 hindrance, suggesting that it will make failure of a project probable.

Interviewee 9 and Interviewee 15 further indicated a possible relationship between the liability of unconsidered change and the liability of trust and relationships; both suggesting that unconsidered change could cause a breakdown in the trust relationship a consultant needs with his or her client.

4.3.12 Liability of communication competence

Consultants must be able to verbally and non-verbally communicate clearly and in an easily understood manner, adapt and align their communication methods to interact with the different audiences they address, use communication tools such as Powerpoint and boarding, and be confident using the jargon of the organisation. This is the opinion of 82% of the consultants interviewed. These consultants rate communication competence as a level 5 liability suggesting that should a consultant, or at least one member of the consulting team, not be able to effectively and efficiently communicate, failure of the consulting project is possible.

Although Interviewee 10 believes that communication competence is crucial, she is of the opinion that it is a learned skill that senior consultants obtain with experience, and she further believes that it is not as much the ability to communicate the content of a presentation but the content itself that will cause a hindrance for the consultant (Interviewee 10).

4.3.13 Liability of individual prejudice

Consultants suggest that the following individuals are a level 5 hindrance and can make failure of the consulting project possible, if not mitigated:

- with "an absolute intolerance of consultants" (Interviewee 12);
- who constantly question, not only the work (Interviewee 4) of the consultants; but also his or her "ethics and professionalism" (Interviewee 13);
- that set the consultant up for failure (Interviewee 1);
- who act in a manner that effectively delays the consultant's work (Interviewee 5); or
- in the case of an influential individual, creates a negative attitude towards the consultant (Interviewee 9).

4.3.14 Liability of revenue attainment

Consultants charge clients a fee and associate three pre-conditions with the liability of revenue attainment, namely:

- **The price/time ratio:** Interviewee 5 suggests that if the consulting fee is too small, clients often perceive the work of the consultant as sub-standard, while if the consulting fee is too high, clients perceive the consultant as too expensive and either appoint another consultant or they abandon the project.
- **Non-payment:** Interviewee 4 suggests that non-payment during the course of the project limits the consultant's ability to obtain the resources needed to successfully complete the project. Interviewee 3 is, however, of the opinion that this is a hindrance specific to independent consultants.

- **Cost control:** Interviewee 15 and Interviewee 16 are of the opinion that the inability of consultants to control costs is a hindrance to the success of a consulting project.

The liability of revenue attainment received an overall rating of 5, suggesting that failure to overcome this liability makes failure of a consulting project possible.

4.3.15 Liability of scope creep

According to Interviewee 3, scope creep, the systematic increase of the scope of a consulting project, is a product of unarticulated expectations, and if it is left unmanaged can, not only increase the time pressure on consultants, but according to Interviewee 8, also makes failure of a project apparent. However, Interviewee 4 and Interviewee 5 are of the opinion that if the contract is correctly formatted in phase 4 of the consulting process, and the consultant gets additional time and fees for any additional work, scope creep is not a hindrance, but an opportunity to sell-on. Scope creep is, on average, rated as a level 5 hindrance, suggesting that consultants believe that when the consultant is immature, the contract is not clearly formulated, and the client expectations are not managed, scope creep will make failure of the project possible (Interviewee 15; Interviewee 16; Interviewee 17).

The consultants unintentionally suggested a possible relationship between the liabilities of scope creep, perception and expectation, time and revenue attainment.

The fifteen liabilities discussed above, form the core of the liabilities identified during the course of the study, as these liabilities were repeatedly identified during the course of the interviews. There are, however four outlier liabilities that were also identified, but either failed to be repeated, or repeated only in a limited number of the interviews. These outlier liabilities are briefly discussed in the next section.

4.3.16 Outlier liabilities

Liability of intellectual property

Interviewee 11 suggests that the question regarding whose intellectual property the solution is, "is always a challenge" that consultants face.

Liability of fast movers

Interviewee 6 is of the opinion that consultants do not let "the dust settle" before they move on to the next project, suggesting that if a consultant does not let a solution "sink in" before they move on, it might have an impact on the success of a project, and rated it as a level 3 hindrance.

Liability of non-implementation

The liability of non-implementation was mainly derived from the individual strengths and weakness listed by the interviewees (Interviewee 7; Interviewee 8; Interviewee 9; Interviewee 12; Interviewee 13). However, two of the interviewees suggested that consultants who do not drive the implementation of their own projects, are setting their projects up for failure. They rated the liability of non-implementation as a level 5 hindrance that can make failure of a consulting project possible (Interviewee 6; Interviewee 11).

Liability of maverick consultants

Interviewee 16 is of the opinion that consultants who take unnecessary risks, become overly friendly with clients and "just want to get the job done regardless of the rules" – maverick consultants – are a level 5 liability to any team and will make the failure of a consulting project possible. Interviewee 16 recommends that maverick consultants should be removed from the consulting team should they be unable to:

- admit that they "do not know everything";
- keep their relationship with a client professional, and

- make objective decisions,

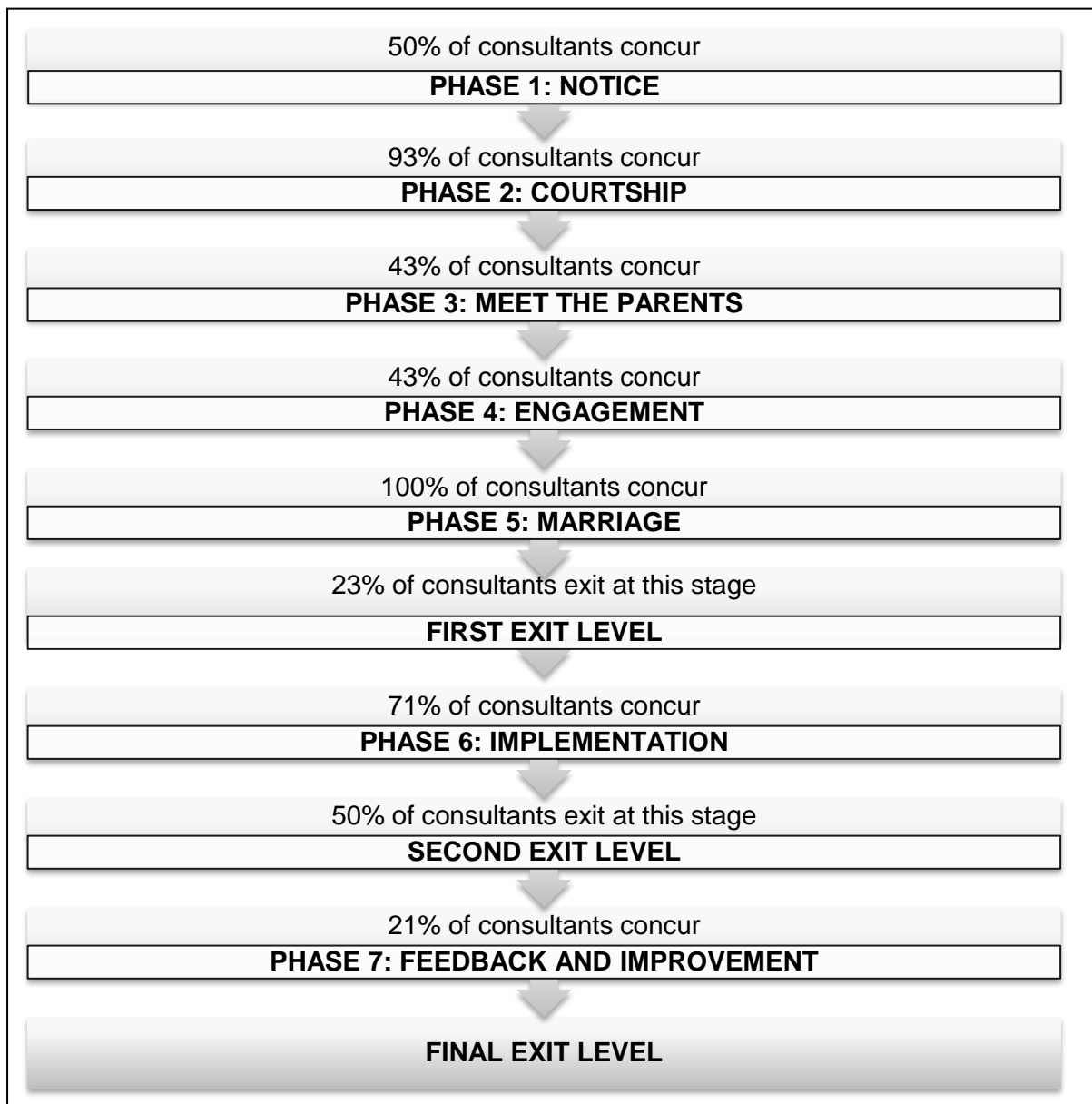
Interviewee 16 implied a possible relationship between the liabilities of maverick consultants, team functioning and trust and relationship.

4.4 CONSULTING PHASES

It became a necessary and integral part of the research to report on the various phases of consulting, as most consultants, during the course of the interviews, suggested a relationship between the liabilities and the phases of consulting.

Management consulting takes place in six main phases, which were compared by two seasoned independent consultants, to falling in love (Interviewee 1; Interviewee 5). The management consulting phases graphically illustrated in the following figure is a compilation of the phases proposed by the consultants interviewed, although they were not necessarily named as such. Figure 4.3 graphically depicts the six main phases as suggested by the consultants interviewed, the seventh suggested phase, as well as the percentage of consultants interviewed who concur with the phases.

Figure 4.3: The consulting phases



Source: *Own compilation based on management consultant interviews*

Phase 1: Notice

Consultants are noticed by organisations through two channels, namely, organisations can contact specialist consultants directly, or invite consultants to tender for a specific project.

Phase 2: Courtship

Consultants consider this the dating phase, during which the foundation of trust is built with the client. The consultant will, during this phase, determine:

- the status quo of the organisation;
- the client's expectations;
- the client's perception of the problem faced by the organisation; and
- the scope of the project.

Phase 3: Meet the parents

This phase is characterised by sense-making and fact-finding; the consultant essentially gathers broad background knowledge on the context of the organisation. This is mainly done to determine the feasibility of the project, but also to determine the fit between the consultant and the organisation.

Phase 4: Engagement

Consultants now present the client with a proposal which contains a broad description of:

- the project scope;
- project time-frame;
- overarching project deliverables;
- the resourcing of the project; and
- the cost associated.

Once the proposal has been negotiated and accepted, the consultant and client enter into a contractual agreement.

Phase 5: Marriage

During this phase consultants workshop with the client in an effort to deconstruct the organisation and gain detailed insight and information on the problem they were appointed to solve. They subsequently do an analysis and a gap-analysis on the information gathered, conceptualise the problem, and present the client with sub-deliverables.

Guided by the sub-deliverables, consultants now have to craft various solutions to reconstruct the organisation in a manner that will, either eradicate, or reduce the impact of the problem. The various solutions are presented to the client and based on the guided choices made by their client, the consultants will develop an action plan.

Depending on the scope of the contractual agreement, the consultants will either move on to the next phase in the process, or exit at this stage.

Phase 6: Implementation

Consultants will now guide the organisation in the implementation of the action plans that have been developed. These plans will be tested, their sustainability evaluated, modified if necessary, and monitored. Once the plans have been proven to work, consultants enter into what is known as an 'absolute implementation' (Interviewee 12) stage, where the new plans are effectively cast in stone.

At this stage, consultants will normally present the client with a close-out report and exit the project. However, 21% of the consultants participating in the study suggested a seventh additional phase, named Feedback and Improvement (Interviewee 6; Interviewee 5; Interviewee 7).

Phase 7: Feedback and improvement

Consultants suggest that feedback loops should be built into the action plans to ensure continuous improvement of the solutions that have been implemented. This suggests that consultants should revisit the organisation and make sure that they are still on the right track, and if not, suggest incremental changes. Interviewee 6 suggested that the inability or the unwillingness of consultants to build in these feedback loops is a liability faced by consultants, and rated it as a level 4 hindrance that will jeopardise the efficiency and effectiveness of the consultant.

4.5 MODERATING AND MEDIATING FACTORS

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 as liabilities or barriers in the process of strategising, while others are regarded as moderating and/or mediating factors. As the effects of these factors on the relationship between management consultants and the successful completion of a strategy consulting project, have not yet been determined, this study proposes that the following factors are either moderating or mediating variables:

- ***Consulting phases:*** It has been observed that the liabilities are in general more likely to affect consultants during the first four consulting phases.
- ***Consultant affiliation:*** The observation is that, in general, the identified liabilities will have a stronger relationship with the success or failure of an independent consultant or small consulting firms. There are, however, liabilities that will have a stronger relationship with the success or failure of an affiliated consultant, such as the liability of team functioning.
- ***Consultant exposure:*** In general it has been observed that the identified liabilities will have a weaker relationship with the success or failure of a national consultant and that the strength of the relationship will increase as the consultants start to consult in Africa, and will most likely be the strongest when consultants consult internationally.
- ***Experience level:*** The overall observation is that junior consultants with less than five years' experience are more likely to experience the liabilities than more experienced consultants.

- **Engagement level:** The general observation is that the higher a consultant's level of engagement with a client, the stronger the relationship between project success or failure and the liabilities become.
- **Client demographics:** It has been observed that the nature of the relationship between the identified liabilities and consultant success or failure is influenced by whether the client is:
 - a public or private sector organisation;
 - small, medium or large organisation;
 - the lifecycle stage of the organisation; and
 - the industry in which the organisation operates.
- **Project type:** It has been observed that the type of project (strategy formulation, strategy implementation, or both) will influence the nature of the relationship between the consultant's success or failure and the identified liabilities.
- **Consultant type:** The overall observation is that the nature of the relationship between the identified liabilities and the consultant's success or failure is influenced by the consultant's area of specialisation and associated qualification level.

4.6 CONCLUSION

This chapter firstly reported on the methodology used in both Phase 1 (literature review) and Phase 2 (individual interviews) of the research that informs this dissertation. Secondly, it reported on the 18 (excluding the liability of successful consulting) management consultant liabilities and their associated pre-conditions which were identified during both phases of the research. Thirdly, it briefly described the seven management consulting phases as described by the interviewees. This chapter concluded by reporting the eight mediating or moderating factors associated with the liabilities.

CHAPTER 5: RESEARCH PAPER 1

Chapter 5 contains Research Paper 1, as accepted for publication on the 3rd of August 2012, in the African Journal of Business Management.

Title:	The identification of management consultant liabilities during strategising
Authors:	Marius Pretorius Karen Stander
Key words:	Strategy-as-Practice, liabilities, hindrances, management consultants

5.1 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 above 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 Giangreggo, 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 pre-conditions' (Ooghe & De Prijcker 2008: 224). According to Pretorius and Holtzhausen (2008:93), "when a firm has to overcome a set of pre-conditions 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), Henderson (1999) and Mezas (2002).

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 pre-conditions', 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 S-as-P 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 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 S-as-P 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 5.1 summarises the research on which this article is based.

Table 5.1: Summary of the research on which this article is based

RESEARCH QUESTION: WHAT ARE THE CONSULTANT'S LIABILITIES IN THE PROCESS OF STRATEGISING?	
Proposition A:	The liabilities consultants face during the process of strategising can be identified.
Proposition B:	The interrelationships between the relevant liabilities can be determined.
Proposition C:	The mediating and moderating factors associated with the relevant liabilities can be identified.
Data collection method	Qualitative (Literature Review)
Orientation	Domains G and H of S-as-P 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?"
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 organisations with strategising.
Motivation for the study:	From a theoretical perspective, the study a contribution to both Domains G and H of the S-as-P research.
Research design and approach	The researchers developed a theory by combining the systems approach and an integrative literature review.
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.
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.
Contribution	Identifying and understanding the relevant liabilities consultants are faced with, decreasing the number of consultants with an "inability" to strategise.

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 S-as-P 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.

5.2 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 influence on successful organisation strategising were considered paramount.

At first, a search for keywords 'strategy-as-practice/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:

- the tasks or activities of management consultants;
- the nature of the consultant client relationship;
- the contribution of consultants to strategy;
- the barriers, limitation or liabilities faced by consultants;
- the content of management consultant failure;
- the content of management consultants and business strategy; and
- 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. 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 5.2. The research which informs this article is framed within the “Strategy-as-Practice” research philosophy, this research philosophy and the fit between this article and the philosophy is discussed in following section.

Table 5.2: Works on consultant liabilities, liability pre-conditions and the associated mediating and moderating factors

Liability	Authors
Problem crystallisation	Antal and Krebsbach-Gnath, 2003; Cowen, 1986; Gable, 1996; Isaksem, 2011, Knoeri <i>et al.</i> , 2011; Lyles and Mitroff, 1980; Miller, 1994, Mitroff and Featheringham, 1974; Neilson <i>et al.</i> , 2008; Rumelt, 2011; Sun Tzu, 2005; Turner, 1982; Werr and Linnarson (2002)
Successful consulting	Antal and Krebsbach-Gnath, 2003; Barry and Elmes, 1997; Gable, 1996; Hendry, 2000; Jacobson, Butterill <i>et al.</i> , 2005; McLachlin, 2000; Payne and Lumsden, 1987; Turner, 1982; Wright, 2011
Context knowledge	Anderson <i>et al.</i> , 2006; Antal and Krebsbach-Gnath, 2003; Arend, 2004; Bhawuk and Brislin, 2000; Ciampi, 2007; De Bruyn and Kruger, 2001; Fincham, 1999; Fischlmayr, 2002; Greiner and Ennsfellner, 2010; Harrington <i>et al.</i> , 2009; Hendry, 2000; Hill, 2009; Hofstede, 2003; Jeurissen and Van Lwijk, 1998; Kieran, 1998; Kitay and Wright, 2007; Lebestky and Tuggle, 1975; McKenna, 2001; Nielson <i>et al.</i> , 2008; Oosthuizen, 2008; Payne and Lumsden, 1987; Trommsdorff, 2011; Turner, 1982; Yang and Haiwei, 2006
Influential power	Carter <i>et al.</i> , 2008; Davenport and Early, 2010; Fullerton and West, 1996; Göhler, 2009; Payne, 1987; Petersen and Pulfelt, 2002; Wright, 2011
Information overload	Davenport and Early, 2010; Edmunds and Morris, 2000; Göhler, 2009; Harrington <i>et al.</i> , 2009:3; Lubit, 2011; Neilson <i>et al.</i> , 2008; Turner, 1982
Integrated activity	Brüderl and Schüssler, 1990; Antal and Krebsbach-Gnath, 2003; Campbell-Hunt, 2007; Davenport and Early, 2010; Hrebiniak, 2006; Jarzabkowski, 2004; Kitay and Wright, 2007; Lumpkin and Dess, 2006; Levinthal and Finchman, 1988; Lumsdaine and Lumsdaine, 1994; Nielson, Martin and Powers, 2008; Pretorius and Holtzhauzen, 2008; Ward, 2004; Wright, 2011
Time	Appelbaum and Steed, 2005; Kitay and Wright, 2007; Turner, 1982; Lebestky and Tuggle, 1975; Romano and Brna, 2001

Mediating or Moderating factors	Authors
Legitimacy	Berglund and Werr, 2000; Singh <i>et al.</i> , 1986; Van Houten and Goldman, 1981
Consultant adaptability	Kaarst-Brown, 1999; Kitay and Wright, 2007
Client engagement	Buday, 2003; Davenport and Early, 2010; Fincham, 1999; Göhler, 2009
Cognitive recipe	Greiner and Ennsfellner, 2010; Romano and Brna, 2001; Ward, 2004
Change	Armenakis <i>et al.</i> , 1993; Rumelt, 2011

5.3 STRATEGY-AS-PRACTICE

Strategy as an academic research subject is a diverse, multi-dimensional field with numerous, fundamentally different schools of thought. These fundamental differences include but 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 practice of strategy, the 21st century has seen the development of a new approach to strategy research: Strategy-as-Practice (Johnson, Melin & Whittington, 2003; Whittington, 2002; Haugstad, 1999; Whittington, 2007).

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

Jarzabkowski and Spee (2009) suggest that "Strategy-as-Practice" 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 S-as-P 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 the level of praxis and 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:

- Micro level which refers to studies that explore an individual's or group's experience of a specific situation;
- Meso level which refers to the organisational or sub-organisation level; and
- Macro level which refers to the institutional level of the industry.

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

- Individual actors within the organisation;
- Aggregate actors within the organisation; and
- 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-practice" 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 section.

5.4 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 pre-conditions, five mediating or moderating factors and the relationship between the relevant liabilities. The seven identified consultant liabilities and their associated liability pre-conditions are presented below.

5.4.1 Liability of problem crystallisation

During the Chinese Warring States Period (476-221 B.C.), Sun Tzu (Sun Tzu, 2005) 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 (Cowen, 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 (Cowen, 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 pre-conditions:

- Failure to identify the root causes of a problem faced by an organisation;
- The inability to communicate the problem correctly;
- Insufficient knowledge about the problem;
- Inadequate experience in dealing with the problem;
- An inability to choose between different courses of action;
- Organisational reluctance to appoint consultants;
- Organisational reluctance to provide the necessary information;
- Behavioural changes triggered by the arrival of consultants; and
- Unarticulated expectations.

5.4.2 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 skilfully 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.

5.4.3 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 pre-conditions 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 (Caimpi, 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 Trommsdorff, 2011). Faced with the liability of perception, consultant need to deliberately address issues that might be misconstrued as a result thereof.

5.4.4 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 pre-conditions, 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.

5.4.5 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).

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 pre-conditions of the liability of information overload fall into any of four categories:

- Customer information overload, specifically the amount of information and data available to customers or clients (Edmunds and Morris, 2000);
- 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);
- Personal information overload, referring to the individual's ability to process the huge amount of information (Edmunds and Morris, 2000); and

- 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).

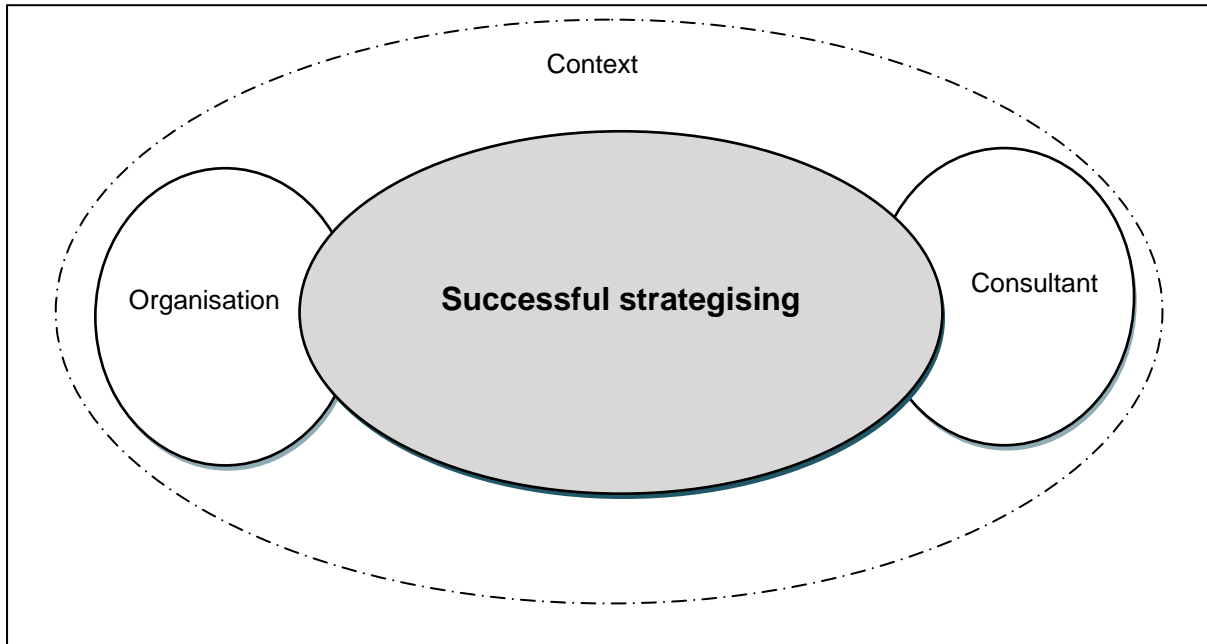
However, the World Wide Web is not the only contributing factor to the information overload experienced by consultants in the process of strategising (Edmunds and Morris, 2000). During strategising, information overload mostly originates in the multitude of strategy success frameworks available to the 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.

5.4.6 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 Holtzhausen, 2008; Antal and Krebsbach-Gnath, 2003).

Figure 5.1 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).

Figure 5.1: Successful strategising: the fit between the consultant, organisation and context



Source: Own compilation based on literature findings

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

Communication

A consultant must be able to see how the process changes will, 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 imitability 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 (Hrebiniak, 2006; Neilson *et al.*, 2008). This alludes to a possible relationship between the liabilities of integrated activity, Information overload 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).

5.4.7 Liability of time

Time has two major implications for a consultant:

- 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.
- 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 pre-conditions:

- The time constraints imposed on consultants by organisations
- The consultant's psychological reaction to an imposed time constraint

- 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.

5.5 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 below.

5.5.1 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).

5.5.2 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).

5.5.3 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).

5.5.4 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, 2001; Ward, 2004).

5.5.5 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).

5.6 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 pre-conditions'. It is the combined effect of these pre-conditions 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 pre-conditions' 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 strengths 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.

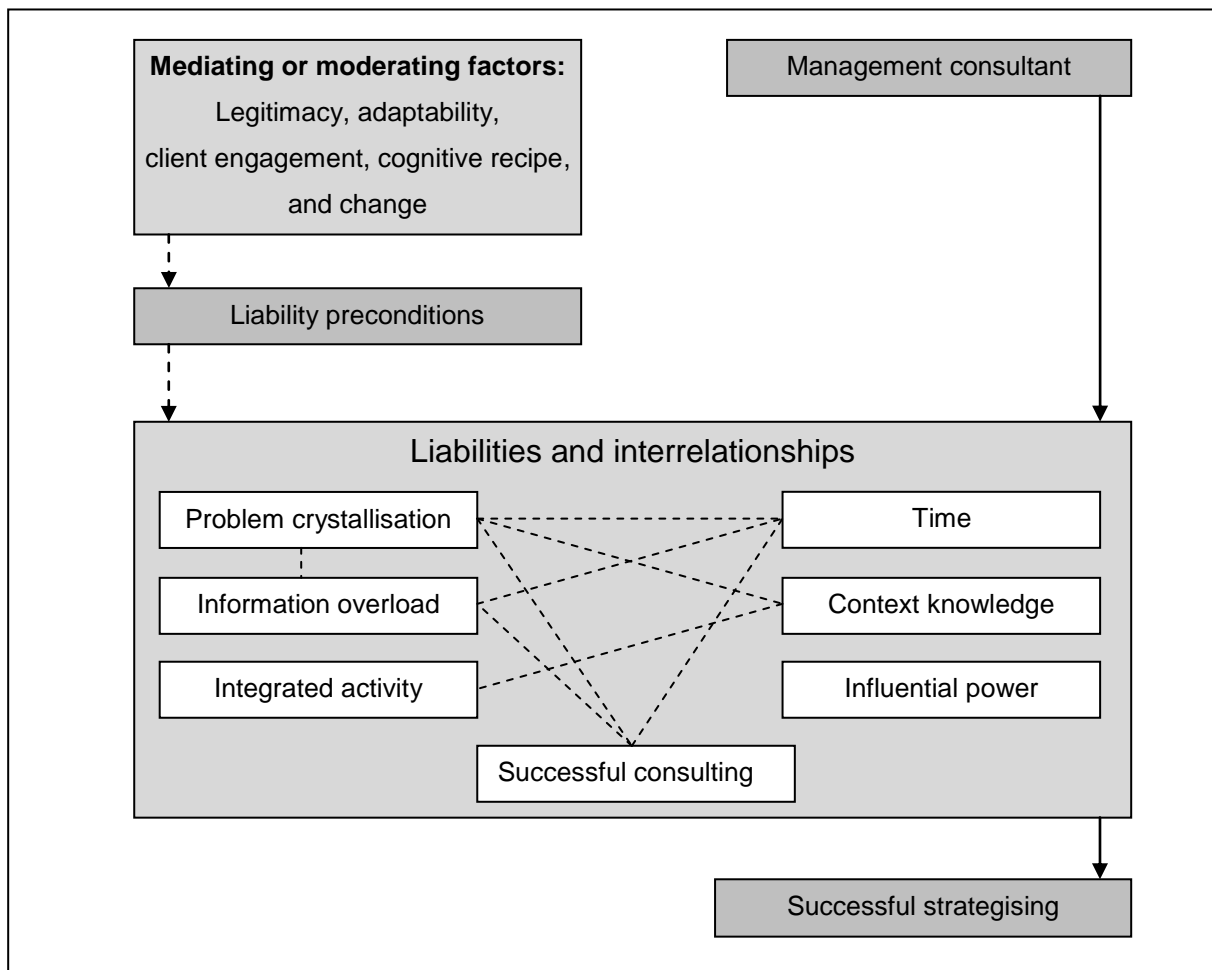
Although literature indicated that the identified liabilities (the result of 'inability pre-conditions') do indeed act as potential hindrances to successful strategising, mediating and moderating factors exist that influence the impact of the liability pre-conditions on consultants. These factors are: 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 5.2 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 5.2: Theoretical management consultant liabilities framework



Source: *Own compilation based on academic works*

Figure 5.2 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 pre-conditions'. The effect of which, on the relationship between management consultants and successful strategising, are mediated or moderated by five factors.

5.7 CONCLUSION

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 identified and combined into a theoretical framework (see also Figure 5.2).

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 pre-conditions 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 S-as-P 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.

CHAPTER 6: RESEARCH PAPER 2

Chapter 6 contains Research Paper 2, currently under review at the British Journal of Management.

Title:	Getting rid of strategising hindrances – identifying and confirming management consultant liabilities
Authors:	Marius Pretorius Karen Stander
Key words:	Liabilities, hindrances, management consultants, strategy-as-practice

6.1 INTRODUCTION

A consulting project is deemed to be successful when a management consultant is able to add value to and increase the profitability of the client organisation. This is done by offering the client organisation easily understood, implementable solutions, while meeting the main deliverables set by the client organisation in such a manner that they not only meet the consultant's own standards, but also exceed the expectations of the client. This ensures that the consultant receives payment without question, is recommended and that the client organisation recommends his or her services to other organisations [definition based on interview responses].

The combined turnover of the top 20 international management consulting firms has been estimated as 297 billion US\$ for 2009 (Kelloggforum, 2010; Vault, 2011). Although this is a large amount, the Deloitte Market Share Analysis Report (Von Uechtritz, 2010) shows a 9% decline in the management consulting industry and indicates that only six of the top 10 management consulting firms were able to grow their earnings above the industry average of -9%. The struggle of top firms and the industry's negative growth rate suggest that consultants are encountering hindrances that limit their ability to earn sustainable economic rents.

Von Uechtritz (2010) suggests that the industry's inability to earn sustainable economic rents is the result of management consultants' (hereafter referred to as consultants) inability to strategise successfully. This inability of consultants to successfully strategise internally has spilled over to their clients, with Neilson, Martin and Powers (2008) reporting that only 40% of client organisations are able to efficiently and effectively implement a corporate or operational strategy.

The inability of consultants to strategise successfully, as is implied in the Deloitte report, necessitated the researchers to investigate what is hindering the successful completion of a strategy-consulting project. These hindrances affect not only consulting firms' ability to earn superior economic rents and sustain competitive advantage, but also that of their clients.

Various authors (Pretorius and Holtzhausen, 2008; Ooghe and De Prijcker, 2008) agree that an organisation is experiencing a liability when it experiences barriers, disadvantages, hindrances, weaknesses, difficulties, accountabilities and responsibilities (liability preconditions) which limit its ability to strategise successfully, gain competitive advantage and earn superior economic rents. These liabilities stem from newness and foreignness (Brüderl and Schüssler, 1990; Henderson, 1999; Mezas, 2002) and it has been suggested that liabilities are rooted in the resource-based view (Thornhill and Amit, 2003).

A management consultant's apparent "inability" to strategise, resulting from liabilities (hindrances), further meets the litmus test for a strategic liability. Arend (2004) suggests that exposure to strategic liabilities, such as the "inability" described above, during any stage of a firm's life cycle can result in potential failure of an organisation. Therefore, it is important to address the potential liabilities.

The research that informed this article was conducted in two separate but interlinked phases and attempted to answer four questions from a strategy-as-practice perspective to contribute to both Domain G and Domain H of the strategy-as-practice typology. The four research questions were:

- RQ1:** What are the primary liabilities consultants face during the strategising process?
- RQ2:** What are the interrelationships between the relevant liabilities?
- RQ3:** What are the mediating and moderating factors associated with the relationship between management consultants and the successful completion of a strategy-consulting project?
- RQ4:** To which extent do consultants experience the relevant liabilities?

Strategy-as-practice is regarded as the theory base of this study, since it has been suggested that the "true power of strategy-as-practice lies in its ability to explain how strategy-making is constrained" (Vaara and Wittington, 2012). The conceptual framework that was developed should enable one of the key groups of strategy practitioners – consultants, as identified by strategy-as-practice research

practitioners, Jarzabkowski and Spee (2009) – to understand and mitigate the constraints they face in the process of strategising.

This article is organised as follows. Firstly, a synopsis of the method and findings of the literature review is given. The methods and results of the semi-structured interviews conducted in phase 2 of the research are then explained. This article concludes by presenting all the research findings in the form of a conceptual liabilities framework.

As already stated, the research was conducted in two separate but interlinked phases. The next section of this article is an overview of the methods and findings of phase 1. A non-empirical research design in the form of a conceptual analysis of the academic literature was used in phase 1.

6.2 PHASE 1: INTEGRATIVE LITERATURE REVIEW

6.2.1 Research design

Approached from a positivist-interpretivist paradigm and triggered by practical experience, the literature review was aimed at identifying consultant liabilities referred to in academic works. Literature was selected through a combination of an integrative literature review procedure (Kirkevold, 1997; Nienaber, 2010) and the systems approach (Van As, 2002). Through this integrative systems approach it was possible to discover 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.

6.2.2 Results

The integrative literature review revealed seven management consultant liabilities, their associated preconditions, five mediating or moderating factors and the relationships between the liabilities. These results are summarised in Table 6.1.

Table 6.1: Consultant liabilities and their associated mediating and moderating factors in academic works

Potential liabilities as identified in academic works		
Liability	Definition	Authors
Problem crystallisation	The inability of the consultant to recognise the root cause of the problem combined with his or her inability to articulate and communicate the problem correctly.	Antal and Krebsbach-Gnath, 2003; Cowen, 1986; Gable, 1996; Isaksem, 2011; Knoeri <i>et al.</i> , 2011; Lyles and Mitroff, 1980; Miller, 1994; Mitroff and Featheringham, 1974; Neilson <i>et al.</i> , 2008; Rumelt, 2011; Sun Tzu, 2005; Turner, 1982; Werr and Linnarson (2002)
Successful consulting	The inability of the consultant to convince the client the problem has ultimately been addressed by members of the organisation, resulting in “internal resistance” to the solution.	Antal and Krebsbach-Gnath, 2003; Barry and Elmes, 1997; Gable, 1996; Hendry, 2000; Jacobson <i>et al.</i> , 2005; McLachlin, 2000; Payne and Lumsden, 1987; Turner, 1982; Wright, 2011
Context knowledge	The inability of the consultant to understand the organisation's internal and external environments, resulting in misalignment between the consultant and the specific organisation's context.	Anderson <i>et al.</i> , 2006; Antal and Krebsbach-Gnath, 2003; Arend, 2004; Bhawuk and Brislin, 2000; Ciampi, 2007; De Bruyn and Kruger, 2001; Fincham, 1999; Fischlmayr, 2002; Greiner and Ennsfellner, 2010; Harrington <i>et al.</i> , 2009; Hendry, 2000; Hill, 2009; Hofstede, 2003; Jeurissen and Van Lwijk, 1998; Kieran, 1998; Kitay and Wright, 2007; Lebestky and Tuggle, 1975; McKenna, 2001; Nielson <i>et al.</i> , 2008; Oosthuizen, 2008; Payne and Lumsden, 1987; Trommsdorff, 2011; Turner, 1982; Yang and Haiwei, 2006
Influential power	The inability of the consultant to influence management to commit to a proposed strategy.	Carter <i>et al.</i> , 2008; Davenport and Early, 2010; Fullerton and West, 1996; Göhler, 2009; Payne, 1987; Petersen and Poulfelt, 2002; Wright, 2011
Information overload	The inability of the consultant to successfully navigate the vast amounts of information available to and from organisations.	Davenport and Early, 2010; Edmunds and Morris, 2000; Göhler, 2009; Harrington <i>et al.</i> , 2009; Lubit, 2011; Neilson <i>et al.</i> , 2008; Turner, 1982
Integrated activity	The inability of the consultant to fit the recommended process changes to the various activities already performed by the client.	Antal and Krebsbach-Gnath, 2003; Brüderl and Schüssler, 1990; Campbell-Hunt, 2007; Davenport and Early, 2010; Hrebiniak, 2006; Jarzabkowski, 2004; Kitay and Wright, 2007; Levinthal and Finchman, 1988; Lumpkin and Dess, 2006; Lumsdaine and Lumsdaine, 1994; Neilson <i>et al.</i> , 2008; Pretorius and Holtzhausen, 2008; Ward, 2004; Wright, 2011
Time	The inability of the consultant to manage time effectively (to comply with the time requirements of a project).	Appelbaum and Steed, 2005; Kitay and Wright, 2007; Lebestky and Tuggle, 1975; Turner, 1982; Romano and Brna, 2001

Potential mediating or moderating factors in academic works		
Factor	Definition	Authors
Legitimacy (mediator)	The consultant is perceived to be legitimate when he/she is viewed as successful, authentic, independent, reliable, appropriate, and acting with integrity and honesty.	Berglund and Werr, 2000; Singh <i>et al.</i> , 1986; Van Houten and Goldman, 1981
Consultant adaptability (mediator)	The consultant's ability to adapt to and fit into an organisation-specific environment while playing the roles expected by the client.	Kaarst-Brown, 1999; Kitay and Wright, 2007
Client engagement (moderator)	Client engagement pertains to the consultant's ability to gain the trust of the client.	Buday, 2003; Davenport and Early, 2010; Fincham, 1999; Göhler, 2009
Cognitive recipe (mediator)	The consultant must be able to recognise his or her own cognitive recipe's strengths and weaknesses and to use his or her strengths to his or her own advantage and mitigate his or her weaknesses.	Greiner and Ennsfellner, 2010; Romano and Brna, 2001; Ward, 2004
Change (moderator)	Aiming for a once-off big solution rather than an incremental change and ignoring the client's willingness to change.	Armenakis <i>et al.</i> , 1993; Rumelt, 2011

Literature identifying factors that hinder management consultants in the process of strategising is limited. It appears that for the last two decades, academia has focused on the relationship between consultants (in general) and their clients – as shown by McGivern (1983), Fullerton and West (1996) and Fincham (1999). The existing literature did, however, reveal that management consultants do indeed face several liabilities when assisting organisations in strategising. Each of these liabilities is the combination of a unique set of "inability preconditions". It is the combined effect of these preconditions that acts as a potential barrier to the success of a management consultant. 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 related to various extents.

Phase 2 of the research was aimed at elaborating on phase 1 by using an empirical research design in the form of individual interviews. The interviews were conducted to identify additional liabilities and establish the practical relevance of the liabilities identified in the literature review. The researchers reasoned inductively and observed patterns that emerged in the data without having a specific set of rules. The next section of this article is a synopsis of the methods and results of phase 2.

6.3 PHASE 2: METHODS

6.3.1 Sample and population

Due to the inaccessibility of the broad population, a non-probability, snowball sample of management consultants was used (Noy, 2008). Ten consultants affiliated with well-known consulting firms, six independent consultants and one freelance consultant were interviewed. At this point, data saturation occurred and no further interviewees were sought. According to Guest *et al.* (2006), one can make evidence-based recommendations based on a non-probability sample of 12 interviewees as saturation normally occurs at this point.

6.3.2 Data collection and analysis

A semi-structured interview protocol questionnaire was used with each interviewee. All the interviewees were asked identical questions in the same sequence, but the interviewers probed inductively for key responses. The interview protocol included the following:

1. Are you currently employed by a management consulting firm or are you practising as an independent management consultant?
2. How long have you been a management consultant?
3. Have you consulted in a country other than the country where you permanently reside and if so, in which country?
4. Do you believe there is a difference between the liabilities experienced by a management consulting firm and the liabilities experienced by an independent management consultant?
5. Describe your work.
6. What qualifications do you believe a person should have to be able to do your work?
7. What qualification(s) do you have?
8. How do you define strategising?
9. When do you consider yourself successful?
10. Without feeling insulted, what do you consider your greatest weakness when it comes to consulting?
11. Without being humble, what do you consider your greatest strength when it comes to consulting?
12. List the biggest challenges or barriers you face when assisting organisations in strategising.
 - a. Which of these challenges or barriers do you deem to be the most significant?
 - b. Provide a motivation for selecting the above factor.
13. Use the scale provided to rate the factors as a hindrance to the success of a consulting session.
14. Do you think a consulting session has different phases?
 - a. If so, please name and explain the phases.

15. Do you agree that the seven factors provided below are liabilities (hindrances/challenges) for consultants? If not, please indicate which ones you do not agree with.

- problem crystallisation
- context knowledge
- influential power
- data overload
- time
- integrated activity
- successful consulting

16. Use the scale provided (see Table 6.2) to rate these factors as a hindrance to the success of a consulting session.

17. What is the worst experience you have had with a client and why?

18. What is the best experience you have had with a client and why?

19. Do you have any other comments, ideas or experiences you want to share?

During the interviews, the interviewees were asked to rate the liabilities using the seven-point scale shown in Table 6.2.

Table 6.2: The seven-point liability rating scale used during individual interviews with consultants

7	Major hindrance: Should you not overcome it, failure is apparent. (Highly likely)
6	Considerable hindrance: Should you not overcome it, failure is probable. (Likely)
5	Hindrance: Should you not overcome it, failure is possible.
4	Hindrance: Should you not overcome it, efficiency and effectiveness are jeopardised.
3	Minor hindrance: It makes your job difficult, but has a minor impact on the outcome of the consulting session.
2	It is not a hindrance but an irritation.
1	It is a non-factor.

The data were collected between 11 October and 9 December 2011. The interviews were conducted in English and Afrikaans. The interviews were tape recorded and verbatim responses to each question were transcribed and translated using a standardised transcription protocol (McLellan *et al.*, 2003).

The transcripts, field notes and tape recordings were then imported into ATLAS.ti (a qualitative research computer program) for analysis. The transcripts and tape recordings were linked using the association function of ATLAS.ti. By means of inductive reasoning, the data was first coded holistically and then initial deep coding was conducted. This resulted in 304 codes. These codes were then screened for similarities and patterns by means of descriptive coding, resulting in 50 code families. Pattern coding continued and 19 categories of liabilities emerged.

To reiterate: The primary aim of phase 2 was to determine the practical relevance of the liabilities identified in phase 1 and to identify any liabilities experienced but not documented in the literature. Consequently, autonomous counting was used (Hannah and Lautsch, 2011) to develop a summary of the data set. These numbers, together with the qualitative data gathered from ATLAS.ti, were then scrutinised to discern the patterns reported in the next section of this article.

The methodology that was used ensured credibility through prolonged engagement, two researchers and peer debriefing. Transferability was ensured through thick descriptions of both the research methods and findings. Dependability and conformability were ensured by using ATLAS.ti, which automatically creates a clear audit trail, and the raw data was stored on a secure website.

6.4 EMPIRICAL EVIDENCE FROM THE INTERVIEWS

An analysis of the interview data resulted in the identification of 18 (excluding the liability of successful consulting) liabilities. Table 6.3 shows these liabilities and presents the associated quantitative data (obtained from the consultants' ratings of the various liabilities).

Table 6.3: The liabilities identified during consultant interviews and associated quantitative data

Liability	<i>n</i>	Average	Median	Mode	SDev	High	Low
Problem crystallisation	12.00	6.29	7.00	7.00	1.08	7.00	4.00
Trust and relationships	11.00	6.09	6.00	6.00	0.94	7.00	4.00
Integrated activity	14.00	5.96	6.00	5.00	0.93	7.00	5.00
Unconsidered change	3.00	5.67	6.00	—	1.53	7.00	4.00
Perception and expectation	9.00	5.61	6.00	6.00	1.05	7.00	4.00
Communication competence	9.00	5.44	5.50	4.00	1.16	7.00	4.00
Team functioning	6.00	5.33	5.00	5.00	0.75	6.50	4.50
Context knowledge	19.00	5.26	5.50	7.00	1.52	7.00	2.00
Individual prejudice	4.00	5.25	5.50	—	1.71	7.00	3.00
Revenue attainment	4.00	5.25	5.50	—	0.96	6.00	4.00
Influential power	23.00	5.17	5.00	6.00	1.33	7.00	2.00
Time	10.00	5.05	5.00	5.00	1.57	7.00	2.00
Scope creep	3.00	5.00	5.00	—	0.00	5.00	5.00
Maverick consultants	1.00	5.00	5.00	—		5.00	5.00
Non-implementation	3.00	5.00	5.00	—	1.26	6.00	3.50
Data and information	21.00	4.43	4.00	4.00	1.34	7.00	2.00
Fast movers	1.00	3.00	3.00	—		3.00	3.00
Successful consulting	11.00	2.36	1.00	1.00	2.38	7.00	1.00
Intellectual property	1.00	—	—	—	—	—	—

It is important to note that in Table 6.3, *n* refers to the number of times a specific liability and all its associated preconditions were mentioned by the interviewees.

An in-depth discussion on the data is incorporated in the discussions of the various liabilities. It is, however, appropriate to indicate which of the liabilities identified in phase 1 were indeed experienced by consultants as it will facilitate reading and

understanding the findings. Table 6.4 is a matrix of how the findings of the literature review were incorporated into the interview findings, with the number in the matrix indicating the average of the interviewees' ratings for each liability.

Table 6.4: Liability matrix

		Identified in literature											
		Liabilities						Moderating or mediating factors					
		Context knowledge	Information overload	Influential power	Integrated activity	Problem crystallisation	Successful consulting	Time	Adaptivity	Cognitive Recipe	Client engagement	Legitimacy	Change
Liabilities identified in interviews	Communication competence												
	Context knowledge	5.26*											
	Data and information		4.43*										
	Individual prejudice												
	Influential power			5.17*									
	Integrated activity				5.96*								
	Perception and expectation							5.61*					
	Problem crystallisation					6.29*							
	Revenue attainment												
	Scope creep												
	Successful consulting						2.36*						
	Team functioning								5.33*				
	Time							5.05*					
	Trust and relationships										6.09*		
Unconsidered change												5.67*	

*The score refers to the average rating given to a liability by the interviewees

The liability matrix in Table 6.4 indicates that the interviewed consultants confirmed the existence of most (all except the liability of successful consulting) of the liabilities identified in the literature, while they incorporated and increased the status of certain mediating and moderating factors to liabilities. The liability of successful consulting, which was found to be an irritation, rather than a liability, and the “migration path” of the mediating and moderating factors are discussed next.

6.4.1 *The liability of successful consulting*

The liability of successful consulting suggests that to ensure the implementation of a strategy, the organisation must be convinced that the consultant is merely a mechanism for the organisation to strategise (Barry and Elmes, 1997; Hendry, 2000; Wright, 2011). This liability on average scored as a level 2 hindrance, with 47% of the interviewees rating it as a non-factor (level 1 hindrance).

In general, the interviewees felt that organisations know consultants "are there to help the organisation" and the organisations themselves "do not have the internal capacity to solve the problem" (Interviewee 13). The majority of the consultants believed that organisations know strategising is a joint operation where "the consultant owns the process and the client owns the content" (Interviewee 14).

However, the liability was scored as a level 4 liability by senior consultants, suggesting that it could affect the efficiency and effectiveness of a consultant. Interviewee 5 suggested that one cannot generalise the liability of successful consulting since, in his opinion, it depends on the specific stage the organisation occupies in its life cycle, the severity of the problem and the industry of the organisation. He proposed that an organisation that faces failure and is in the decline stage of its life cycle is "beyond the point of games".

6.4.2 *Mediating or moderating factors*

The five mediating or moderating factors that were found to be integral parts of different liabilities were re-evaluated and re-classified, and then incorporated as follows:

- **Legitimacy** was incorporated into the liability of trust and relationships after it was emphasised by four (24%) of the interviewees.
- **Adaptivity** was integrated into the liability of perception and expectation after it was emphasised by six (35%) of the interviewees.
- **Client engagement** was emphasised by five interviewees (29%) and incorporated into the liability of trust and relationships.
- **Cognitive recipe** was emphasised by five interviewees (29%) and incorporated into the liability of team functioning.
- **Change** was integrated into the liability of unconsidered change as it was emphasised by eight interviewees (47%).

It is proposed that consultants need to mitigate 14 liabilities (excluding the liability of successful consulting) and four outlier liabilities in order to ensure the successful completion of a strategy-consulting project. The comments of the interviewees on the liabilities are discussed next.

6.4.3 The liability of communication competence

In the opinion of 82% of the interviewees, consultants must have excellent communication skills – both verbal and non-verbal. The interviewees rated communication competence as a level 5 liability, which suggests that poor communication abilities could contribute to the failure of a consulting project.

6.4.4 The liability of context knowledge

The liability of context knowledge (or as Interviewee 15 described it "being relevant") was scored on average as a level 5 hindrance by the interviewees, with the highest score seven and the lowest score 3.5. This suggests that consultants consider failure to make sense of the "complexity of the context" (Interviewee 8) as not only intrinsic to adding value to the organisation but also as an element that makes the failure of a consulting project possible.

6.4.5 The liability of data and information

Overall, data overload was scored as a level 4 hindrance, with the ability to jeopardise the efficiency and effectiveness of a consulting project. Of the four preconditions (methods overload, personal data overload, customer information overload and organisational information overload), only personal data overload (the consultant's ability to distinguish between noise and crucial information) was positively identified by consultants as a hindrance (level 5) that could influence the success of a consulting project. The interviewees further indicated that when personal data overload is combined with time constraints, it could become a major hindrance – suggesting a positive correlation.

6.4.6 The liability of individual prejudice

The interviewees suggested that individuals with "an absolute intolerance of consultants" (Interviewee 12) who constantly question not only the work of the consultants but also their "ethics and professionalism" (Interviewee 13) can set a consultant up for failure. They act in a manner that effectively delays the consultant's work or if the consultant is an influential individual, may create a negative attitude towards the consultant. The interviewees rated this liability as a level 5 hindrance, thereby suggesting that it can make the failure of the consulting project possible if it is not mitigated.

6.4.7 The liability of influential power

On average, the interviewees scored the liability of influential power as a level 5 hindrance, suggesting that failure to mitigate the liability could make failure of a consulting project possible. In the words of Interviewee 3: "You only talk to the decision makers who've got influence and power in the company when you sell that proposal to the company. You don't just walk into the projects. So you network in advance, and you'd find out who of the people are the decision makers ... otherwise you're wasting your time".

6.4.8 The liability of integrated activity

Integrated activity, or systems thinking, is the "fundamentals of consulting, we need to be able to see the big picture as well as complete detail" (Interviewee 7). The interviewees further suggested that "the more of a big picture approach you take, the more sustainable your solution is" (Interviewee 9). Interviewee 10 confirmed this statement and commented, "... I suppose anyone can, over time, figure out how the big picture and things fit in but you don't have time ..."

The interviewees believed that if the liability of integrated activity (rated on average as a level 6 hindrance) is not overcome, it would make the failure of the consulting project probable. The interviewees felt so strongly about this matter that they suggested that if consultants cannot overcome this liability, they should either get training or change their profession (Interviewee 9).

6.4.9 The liability of perception and expectation

According to the interviewees, part of the work of a consultant is to give the client an external perspective on the organisation. However, the client often does not perceive this as adding value to the organisation, and consultants are faced with "perceptual obstacles" (Interviewee 5). These "perceptual obstacles" (Interviewee 5) originate mainly from clients' "unrealistic expectations" (Interviewee 3). However, "consultants sometimes are tempted to promise more than they can deliver in a time constraint" (Interviewee 3), thereby creating the "unrealistic expectations" of the client. Interviewee 17 suggested that the "unrealistic expectations" could also originate from the consultant's inability to "interpret and understand the client". On average, the interviewees scored the inability to constantly manage the client's perceptions and expectations as a level 6.5 hindrance – suggesting that if it is left unmanaged, the failure of the consulting project is apparent.

6.4.10 The liability of problem crystallisation

This liability specifically refers to consultants' ability to identify the correct cause of the problem encountered by the organisation. Three (18%) of the interviewees suggested that due to the scoping agreement the consultant signed, he or she is limited and has to achieve the main deliverables set out in the agreement. They therefore rated the liability as a non-factor. Interviewee 6 elaborated: "... in all the work I've done, I think the major issue is that the problem identified by the company really is the final problem". Interviewee 16 agreed, suggesting that every project has a "starting point" and it is "often easier to use the starting point suggested by the client" than trying to "draw a picture from scratch".

Problem crystallisation received an average rating of six from the remaining consultants. This suggests that 70% of the interviewees viewed root cause identification as a hindrance that, if not overcome, will make failure of the consulting project probable.

6.4.11 The liability of revenue attainment

Three preconditions are associated with the liability of revenue attainment:

- **The price/time ratio:** Interviewee 5 suggested that if the consulting fee is too small, the client often views the work of the consultant as being of substandard quality; if the consulting fee is too high, the client often thinks the consultant is too expensive.
- **Non-payment:** Interviewee 4 suggested that non-payment during the course of the project limits the consultant's ability to obtain the resources needed to complete the project successfully. Interviewee 3, however, was of the opinion that this is a hindrance specific to independent consultants and not large consulting firms.
- **Cost control:** Interviewee 15 and Interviewee 16 were of the opinion that the inability of consultants to consistently control the costs associated with a project is a hindrance to the success of a consulting project.

The liability of revenue attainment was given an overall rating of five, suggesting that failure to overcome this liability makes the failure of a consulting project possible.

6.4.12 The liability of scope creep

According to Interviewee 3, scope creep (the systematic increase, by the client, of the scope of a consulting project) results from unarticulated expectations and if it is left unmanaged, it will not only increase the time pressure on consultants but (according to Interviewee 8) will also make the failure of a project apparent through lack of revenue attainment. However, Interviewee 4 and Interviewee 5 were of the opinion that if the contract is correctly drawn up and the consultant gets additional time and fees for any additional work, scope creep is not a hindrance but an opportunity to sell-on. On average, scope creep was rated as a level 5 hindrance that (when the consultant is immature, the contract is not clearly formulated and client expectations are not managed) makes the failure of the project possible.

6.4.13 The liability of team functioning

Of the interviewees, 64% considered consultants to be in the "solutions or problem-solving business" (Interviewee 4). The way people think defines their problem-solving method (cognitive recipe). Consultants must therefore be able to recognise their own cognitive recipe's strengths and weaknesses and must be able to use their strengths to their advantage and mitigate their weaknesses (Romano and Brna, 2001; Ward, 2004).

The interviewees suggested that consultants who work for consulting firms can mitigate their weaknesses by working in a team, while Interviewee 4 (a senior independent consultant) acknowledged that independent consultants could also face this hindrance.

However, in order for a team to mitigate the weaknesses of the individual consultant's cognitive recipe, the team has to overcome the following preconditions:

- **Team dynamic:** The team dynamic (in terms of cognitive recipe, experience, context knowledge and specialist qualifications) must fit the deliverables stipulated in the contract (Interviewee 3).
- **Over-utilisation:** Specialist and/or senior consultants are often deployed to different projects simultaneously and have a "101 balls in the air" (Interviewee 3). More often than not, these consultants end up neglecting all the projects and leave junior consultants without a guide. This affects the consultant's ability to add value (Interviewee 3).
- **Under-utilisation:** Consulting firms often "sell too many consultants into a project" (Interviewee 7) and seasoned consultants are assigned to simple tasks, such as data capturing, which can be done more efficiently by junior staff. This hinders the ability of the consultants to provide organisations with value-adding solutions (Interviewee 7).

Team functioning on average scored as a level 5 hindrance, with consultants suggesting that if a firm is not able to assign "the right team for the job" (Interviewee 3), the failure of the consulting project is possible. The interviewees further suggested that "the right team for the job" (Interviewee 3) depends on the context.

6.4.14 The liability of time

Forty-nine per cent of the interviewees rated the liability of time and, on average, considered it a level 5 hindrance – suggesting that if it is not managed by the consultant, it could make the failure of a consulting project possible. However, the remaining 41% of the interviewees were of the opinion that time in itself is "as much of a hindrance that you make it out" (Interviewee 12), mainly because the consultant is able to negotiate the time frame of the project in the contracting phase of the consulting process.

6.4.15 The liability of trust and relationships

"Consulting is about building relationships; if you don't have a relationship with the client, forget about consulting with the client. If I cannot trust you, I will never ever engage you as a consultant or I'll go to someone else" (Interviewee 3).

The following pre-conditions determine the level of trust in the consultant – client relationship:

- **Communication ability:** The manner in which consultants engage with clients determines the level of trust they will obtain from the client (Buday, 2003; Davenport and Early, 2010; Fincham, 1999; Göhler, 2009).
- **Consultant legitimacy:** The external perception of legitimacy comes from the consultant's knowledge, expertise, credibility, communication ability, persuasion ability and perceived contribution to the success of a project (Berglund and Werr, 2000; Singh *et al.*, 1986; Van Houten and Goldman, 1981; Interviewee 4; Interviewee 16).
- **Project legitimacy:** Interviewee 16 suggested that together with consultant legitimacy issues, consultants face project legitimacy issues – suggesting that in order to obtain buy-in, the client must not only understand the value that is added by the consultant but also the value that is added by the project.

Of the interviewees, 65% suggested that without trust and a relationship between the consultant and the client, buy-in is not possible. Trust and relationships scored, on average, as a level 6.5 hindrance – indicating that if a consultant cannot build a relationship that is based on trust with his or her client, the failure of the consulting project is apparent.

6.4.16 The liability of unconsidered change

Interviewee 2 was of the opinion that "the arrival of consultants implies that a degree of change is coming". It is this "implied change", together with "not understanding why the consultant is actually there" (Interviewee 7), that often cause resistance to consultants' suggestions. Forty-seven per cent of the interviewees suggested that

resistance to change is a liability to consultants. Rumelt (2011) regards unconsidered change as one of the four fatal flaws in strategising with clients.

Interviewee 15 regarded unconsidered change part of the "legacy" of consultants and contended that "consultants like to be the 'glory boys', often entering the organisation with a teacher/student mindset. They present workshops, mistake the nodding of heads for understanding, make changes and leave, often forgetting that in order to effect change they must win the hearts and minds of the organisation."

"Unconsidered change increases the resistance of an organisation to implement consultant [strategies]" (Interviewee 14). This was rated as a considerable hindrance (level 6) that could make the failure of a consulting project probable. Interviewee 9 suggested that the bigger the suggested change, the greater the resistance. Both Interviewee 7 and Interviewee 6 suggested that it is often better to introduce systematic change or continuous improvement rather than one big change.

The 14 liabilities identified above form the core of the liabilities framework. There are, however, four outlier liabilities that were also identified but were not repeated significantly by the interviewees. These liabilities are also mentioned to give a complete picture of the data.

6.4.17 The liability of fast movers

Interviewee 6 was of the opinion that consultants do not let "the dust settle" before they move on to the next project, suggesting that if a consultant does not let a solution "sink in" before he or she moves on, it might have an impact on the success of a project. Consequently, the interviewees rated it as a level 3 hindrance.

6.4.18 The liability of intellectual property

Interviewee 11 suggested that the question regarding whose intellectual property the solution is "is always a challenge".

6.4.19 The liability of maverick consultants

Interviewee 16 was of the opinion that consultants who take unnecessary risks become overly friendly with clients and "just want to get the job done regardless of the rules". The liability of maverick consultants was considered to be a level 5 liability to any team that can make the failure of a consulting project possible. Interviewee 16 suggested that maverick consultants have to admit that they "do not know everything", and that they should keep their relationship with the client professional and make objective decisions. This interviewee also recommended that such consultants should be removed from the consulting team if they cannot do this.

6.4.20 The liability of non-implementation

The liability of non-implementation was mainly derived from the individual strengths and weaknesses listed by the interviewees. However, two of the interviewees suggested that consultants who do not drive the implementation of their own projects are setting their projects up for failure. They rated the liability of non-implementation as a level 5 hindrance that can make the failure of a consulting project possible.

6.5 DISCUSSION OF THE EMPIRICAL EVIDENCE

The research was undertaken to answer four questions (RQs) as discussed below.

RQ1: What are the primary liabilities consultants face during the strategising process?

The research results showed that although there is limited literature on the subject, under the specific term "liability", consultants do indeed experience several liabilities or hindrances in the strategising process.

RQ2: What are the interrelationships between the relevant liabilities?

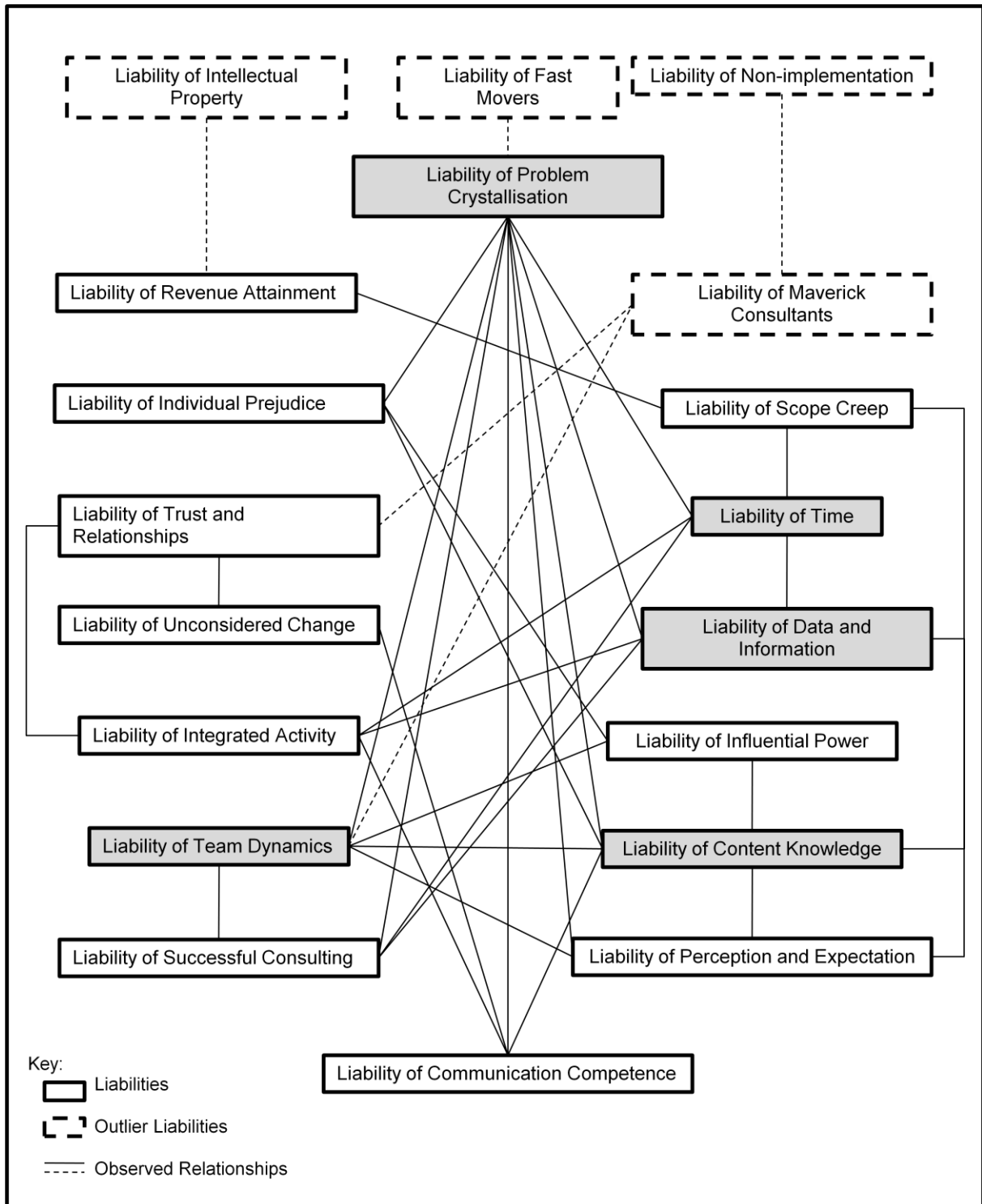
From the empirical evidence, it appears as if the various liabilities are indeed interrelated. The interrelationships between the liabilities that were identified from the

empirical evidence are presented as a conceptual framework in Figure 6.1. The lines in Figure 6.1 that connect the various liabilities indicate the possible interrelationships between the various liabilities. Figure 6.1 clearly shows that liabilities cannot be addressed in isolation and what may manifest as one liability can be caused by another liability (and *vice versa*).

From Figure 6.1, it can be assumed that the following liabilities are the most important since they appear to be interrelated to more than five of the other liabilities:

- problem crystallisation – interrelated with nine other liabilities
- context knowledge – interrelated with six other liabilities
- team dynamics – interrelated with six other liabilities
- time – interrelated with five other liabilities
- information overload – interrelated with five other liabilities

Figure 6.1: The observed liabilities that management consultants face while assisting organisations with strategising, including the observed relationship between the liabilities



RQ3: What are the mediating and moderating factors associated with the relationship between management consultants and the successful completion of a strategy-consulting project?

During the course of the research various factors were identified as contributing to a consultant's ability to strategise. Some of the observed factors are regarded to be liabilities or barriers in the process of strategising, while others are regarded to be moderating and/or mediating factors. As the strength effects of these factors on the relationship between consultants and the successful completion of a strategy-consulting project have not been determined and should be researched in future, it is proposed that the following factors be considered to be either moderating or mediating variables. Observations without proof of mediating and moderating factors include the following:

- **Consulting phase:** During the interviews with the interviewees, it was observed that the liabilities are in general more likely to affect consultants in the early phases of the consulting process.
- **Consultant affiliation:** In general, the identified liabilities will have a stronger relationship with the success or failure of an independent consultant and small consulting firms. There are, however, liabilities, such as the liability of team functioning, that will have a stronger relationship with the success or failure of an affiliated consultant (Sturdy, 2011).
- **Consultant exposure:** In general, the identified liabilities may have a weaker relationship with the success or failure of a national consultant. The strength of the relationship will increase as the consultant starts to consult in neighbouring countries and will most likely be the strongest when the consultant consults internationally.
- **Experience level:** Junior consultants with less than five years' experience are more likely to experience the liabilities than more experienced consultants.
- **Engagement level:** The higher a consultant's level of engagement with a client, the stronger the relationship between the project's success or failure and the liabilities may become.

- **Client demographics:** The nature of the relationship between the identified liabilities and the consultant's success or failure may be influenced by whether the client is a public-sector or private-sector organisation; whether it is a small, medium or large organisation; and the life cycle stage of the organisation; and the industry in which the organisation operates.
- **Project type:** The type of project (strategy formulation, strategy implementation or both) may influence the nature of the relationship between the consultant's success or failure and the identified liabilities.
- **Consultant type:** The nature of the relationship between the identified liabilities and the consultant's success or failure may be influenced by his or her area of specialisation and associated qualification level.

RQ4: To which extent do consultants experience the relevant liabilities?

The empirical evidence (Table 6.3) with specific reference to the number of times the liabilities were mentioned in the various interviews, suggests that consultants do indeed experience not only the liabilities identified in the literature, but also the 18 (excluding the liability of successful consulting) potential management consulting liabilities.

6.6 CONCLUSIONS

Consultants sell value-adding solutions and change to client organisations by providing the client organisation with an external perspective on their current path; advising the client organisation on possible new paths and assisting the client organisation in implementing the new path, by acting as a path guide. This is achieved by getting the right information, to the right person, at the right time and in the right format to enable the client organisation to make a decision [definition based on interview responses].

Considering that the global market economy declined by 2.2% in 2009 (World Bank, 2011) and that the management consulting industry experienced a -9% growth rate

(Von Uechtritz, 2010), it is possible that consultants are failing to provide their clients with value-adding solutions.

The research that informed this article was undertaken in an effort to explain an element of the "doing of strategy" by consultants (Jarzabkowski and Spee, 2009). In identifying the liabilities consultants experience in the process of assisting organisations in strategising, the liability of successful consulting was found to be more of an irritation to consultants than a liability.

The 18 (excluding the liability of successful consulting) liabilities (six confirmed from the literature, eight identified in interviews and four outlier liabilities), the mediating or moderating factors that were identified and the observed interrelationships between the variables were combined into a conceptual liabilities framework. Figure 6.2 graphically depicts the conceptual liabilities framework resulting from the research.

Figure 6.2: Conceptual liabilities framework

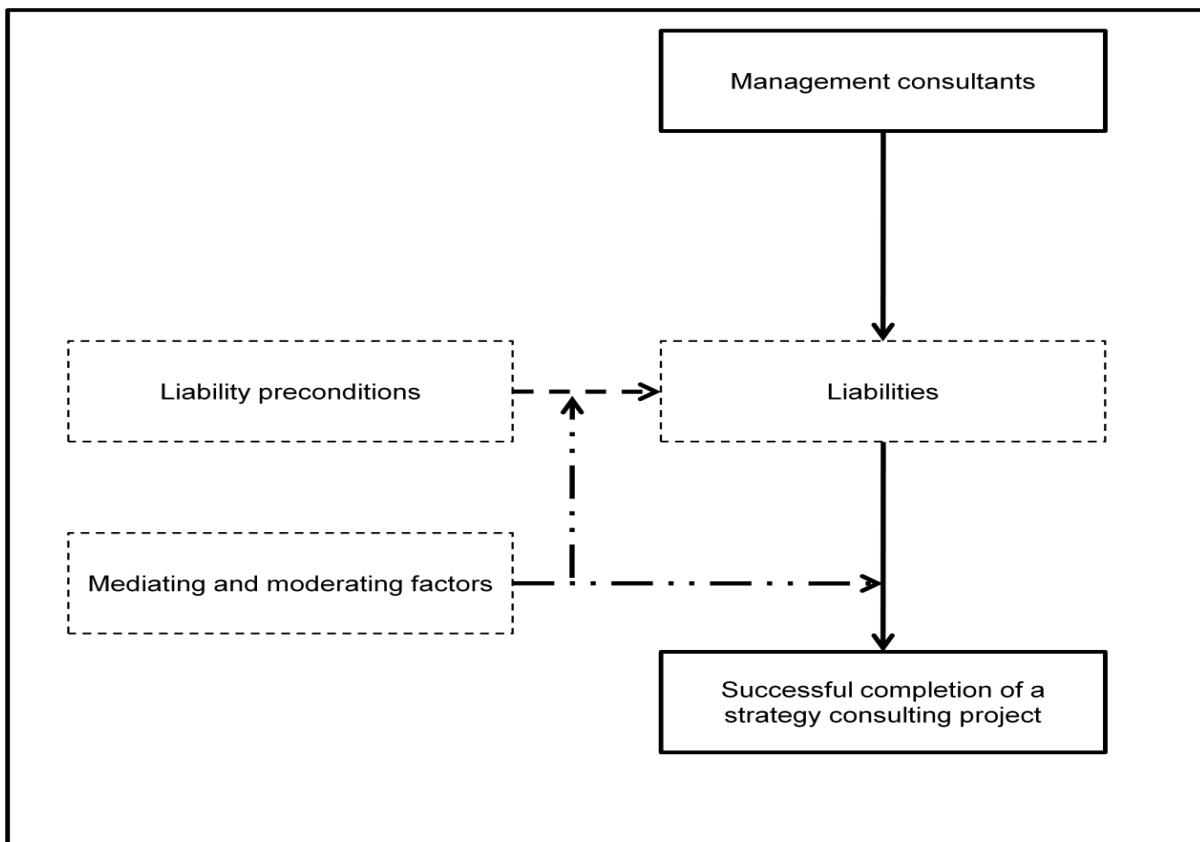


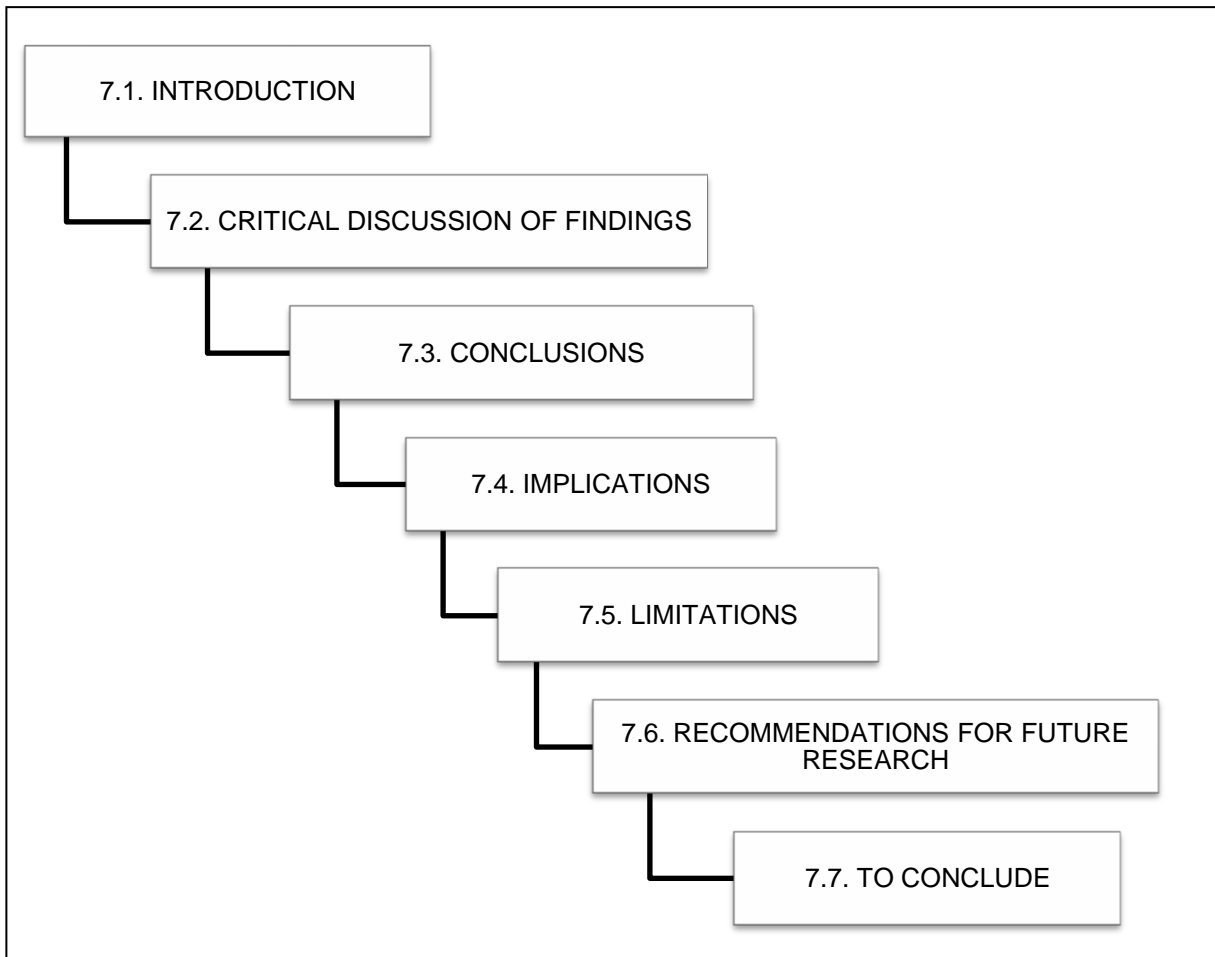
Figure 6.2 illustrates the liabilities that were found to intervene in the relationship between consultants' successful strategising. Figure 6.2 further indicates that consultants will not be able to complete a strategy-consulting project successfully without mitigating some or all of these liabilities. The impact of these liabilities on the success of consultants is, however, influenced by mediating and moderating factors. It is recommended that future research should investigate to which extent the liabilities influence the performance of consultants and their clients. A probability model, based on probability sampling methods that determine the extent to which mediating and moderating factors affect the impact of the liabilities should also be developed.

The conceptual liabilities framework presented in this article contributes to the accumulation of micro-strategy knowledge. Moreover, it should enable consultants to identify the liabilities they are likely to encounter during external strategy projects and can be used as a tool to make informed decisions. Used correctly, this framework should eventually reduce the number of consultants who are unable to strategise successfully.

CHAPTER 7: CONCLUSION

Figure 7.1 indicates the elements of the study as they are discussed in Chapter 7 and graphically illustrates how each element flows into the next.

Figure 7.1: The elements that together constitute Chapter 7 of the study



7.1 INTRODUCTION

A consulting project is deemed successful when a management consultant is able to add value to, and increase the profitability of the client organisation. This is done by offering the client organisation easily understood, implementable solutions while meeting the main deliverables set by the client organisation in such a manner that it not only meets the consultant's own standards but also exceeds the expectations of the client. This ensures that the consultant receives payment without question, is referenced and that the client organisation recommends his or her services to other organisations [definition based on interview responses].

The combined turnover of the Top 20 international management consulting firms has been estimated at 297 Billion US Dollars for 2009 (Kelloggforum, 2010; Vault, 2011). Although this appears to be a large amount, Von Uechtritz (2010), in the Deloitte Market Share Analysis Report, indicates a 9% decline in the management consulting industry and further indicates that only six of the Top 10 management consulting firms were able to grow their earnings above the industry average of negative 9%. This struggle of top firms and the industry's negative growth rate suggests that consultants are experiencing hindrances that are limiting their ability to earn sustainable economic rents.

Von Uechtritz (2010) further proposes that the industry's inability to earn sustainable economic rents is the result of management consultants' (hereinafter referred to as consultants) inability to internally strategise successfully. This inability of consultants to successfully strategise internally has spilled over to their clients, with Neilson *et al.* (2008) reporting that only 40% of client organisations are able to efficiently and effectively implement a corporate or operational strategy.

The inability of consultants to successfully strategise implied in the Deloitte report, necessitated the researchers to investigate what is hindering the successful completion of a strategy-consulting project. As these hindrances are affecting not only consulting firms ability to earn superior economic rents and sustain competitive advantage, but also that of their clients.

This chapter is organised as follows. Firstly, the research findings are summarised and discussed as they address the five research objectives of this study. The focus of this chapter then turns to the various conclusions that can be drawn from the research findings. Management implications, as well as implications for existing theory are given. Various limitations of the research are briefly discussed and this chapter concludes by providing recommendation for future research.

7.2 DISCUSSION OF FINDINGS

The research on which this dissertation is based set out to achieve five specific objectives.

RO 1: Identify the primary liabilities that consultants face during the strategising process

During the first phase of the research a comprehensive literature search was conducted. It was found that literature which identifies management consultant hindrances, is limited. It appears that for the last two decades academia focused on the relationship between consultants (in general) and their clients (Lippitt and Lippitt, 1975; Thomas and Schwenk, 1983; Fincham, 1999; Sergio, 2002). This may be due to academia not regarding consultants as strategists until S-as-P was recognised as a field of strategy research (Wright, 2008).

The research on which this dissertation 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.

It was determined that each of these liabilities is the combination of a unique set of 'inability pre-conditions'. It is the combined effect of these pre-conditions that acts 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.

Interviews with 17 practising management consultants, however, revealed eight additional liabilities, namely, the liabilities of scope creep, perception and expectation, team functioning, unconsidered change, trust and relationships, individual prejudice and revenue attainment. Four outlier liabilities (liabilities that were also identified but either failed to be repeated or repeated only in a limited number of the interviews) were also identified during the interview process. These liabilities are the liability of maverick consultants, non-implementation, intellectual property and fast movers.

The research on which this dissertation is based therefore achieved research objective 1 by identifying 18 (excluding the liability of successful consulting) liabilities faced by management consultants in the process of assisting organisations with strategising.

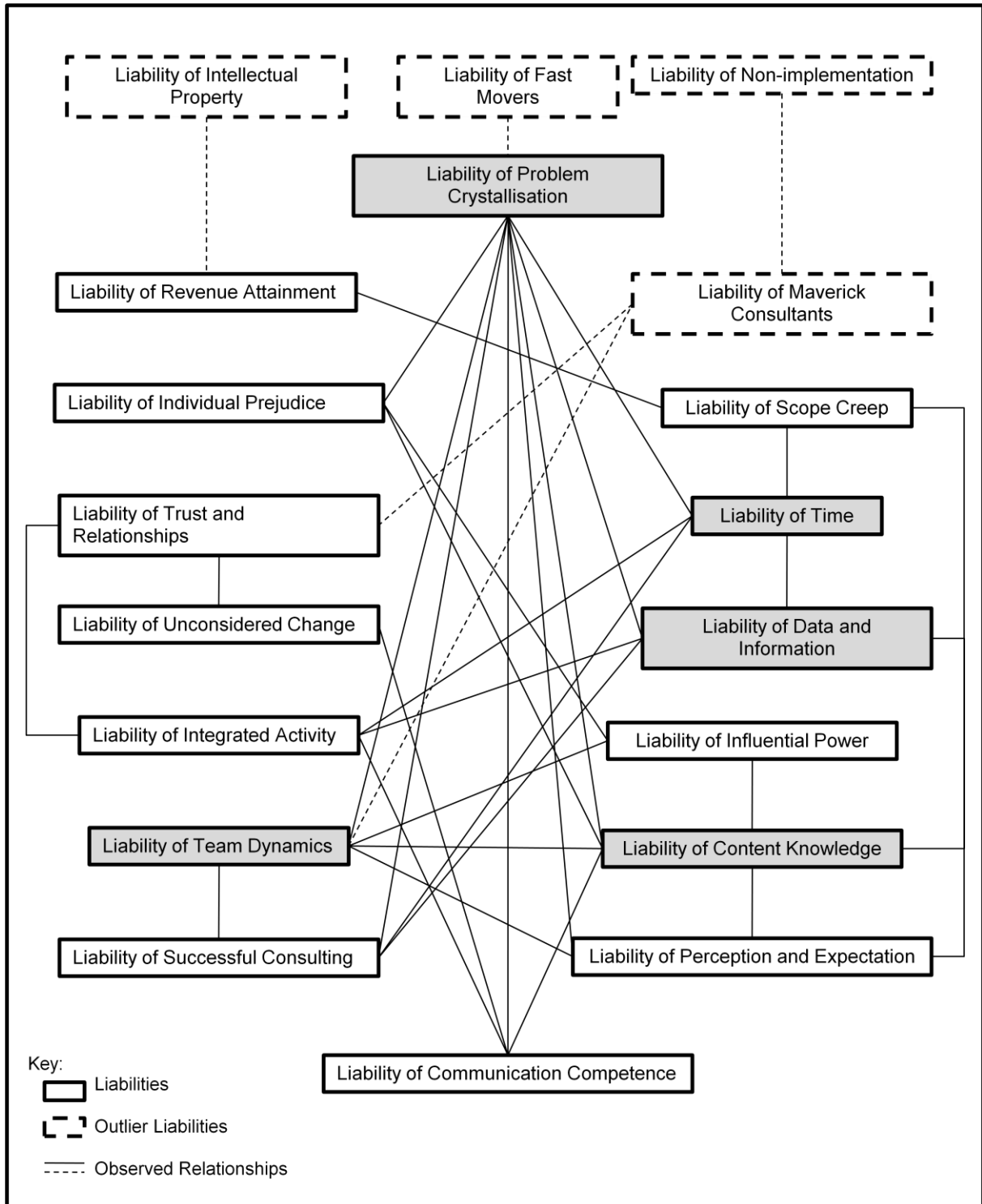
RO 2: Determine the interrelationships between the relevant liabilities

From the empirical evidence reported in section 3 of chapter 4 it appears that the various liabilities are indeed interrelated. The interrelationships between the liabilities identified from empirical evidence are presented as a conceptual framework in Figure 7.2. The lines in Figure 7.2 connecting the various liabilities, indicate the observed interrelationships between the various liabilities.

From Figure 7.2 it can further be assumed the following liabilities are the most important as they appear to be interrelated to more than five of the other liabilities:

- The liability of problem crystallisation – interrelated with nine other liabilities
- The liability of context knowledge – interrelated with six other liabilities
- The liability of team functioning – interrelated with six other liabilities
- The liability of time – interrelated with five other liabilities
- The liability of data and information – interrelated with five other liabilities

Figure 7.2: The observed liabilities that management consultants face while assisting organisations with strategising, including the observed relationship between the liabilities



The interrelationships between the liabilities indicate that liabilities cannot be addressed in isolation, and what may manifest as one liability could be caused by

another and *vice versa*. As indicated in Figure 7.2, the research on which this dissertation is based therefore achieved research objective 2.

RO 3: Identify possible mediating and moderating factors associated with the relevant liabilities.

During the course of the research that informs this dissertation, various factors were identified as contributing to a consultant's ability to strategise. Some of the observed factors are regarded as liabilities or barriers in the process of strategising, while others are regarded as moderating and/or mediating factors. As the strength effects of these factors on the relationship between consultants and the successful completion of a strategy consulting project have not been determined, and should be researched in future, this article proposes that the following factors can be considered either moderating or mediating variables. Observations without proof about mediating and moderating factors include:

- **Consulting phase:** It has been observed in the interviews with research interviewees that the liabilities are in general more likely to affect consultants during the early phases of the consulting process.
- **Consultant affiliation:** The observation is that, in general, the identified liabilities will have a stronger relationship with the success or failure of an independent consultant and small consulting firms. There are, however, liabilities that will have a stronger relationship with the success or failure of an affiliated consultant, such as the liability of team functioning (Sturdy, 2011).
- **Consultant exposure:** In general it has been observed that the identified liabilities may have a weaker relationship with the success or failure of a national consultant and that the strength of the relationship will increase as the consultants start to consult in neighbouring countries, and will most likely be the strongest when consultants consult internationally.
- **Experience level:** Junior consultants with less than five years' experience are more likely to experience the liabilities than more experienced consultants.

- **Engagement level:** The higher a consultant's level of engagement with a client, the stronger the relationship between the project's success or failure and the liabilities may become.
- **Client demographics:** The nature of the relationship between the identified liabilities and consultant success or failure may be influenced by whether the client is a public- or private-sector organisation; small, medium or large organisation; the lifecycle stage of the organisation and the industry in which the organisation operates.
- **Project type:** The type of project (strategy formulation, strategy implementation or both) may influence the nature of the relationship between the consultant's success or failure and the identified liabilities.
- **Consultant type:** The nature of the relationship between the identified liabilities and the consultant's success or failure may be influenced by the consultant's area of specialisation and associated qualification level.

RO 4: Determine the extent to which the relevant liabilities are experienced by consultants

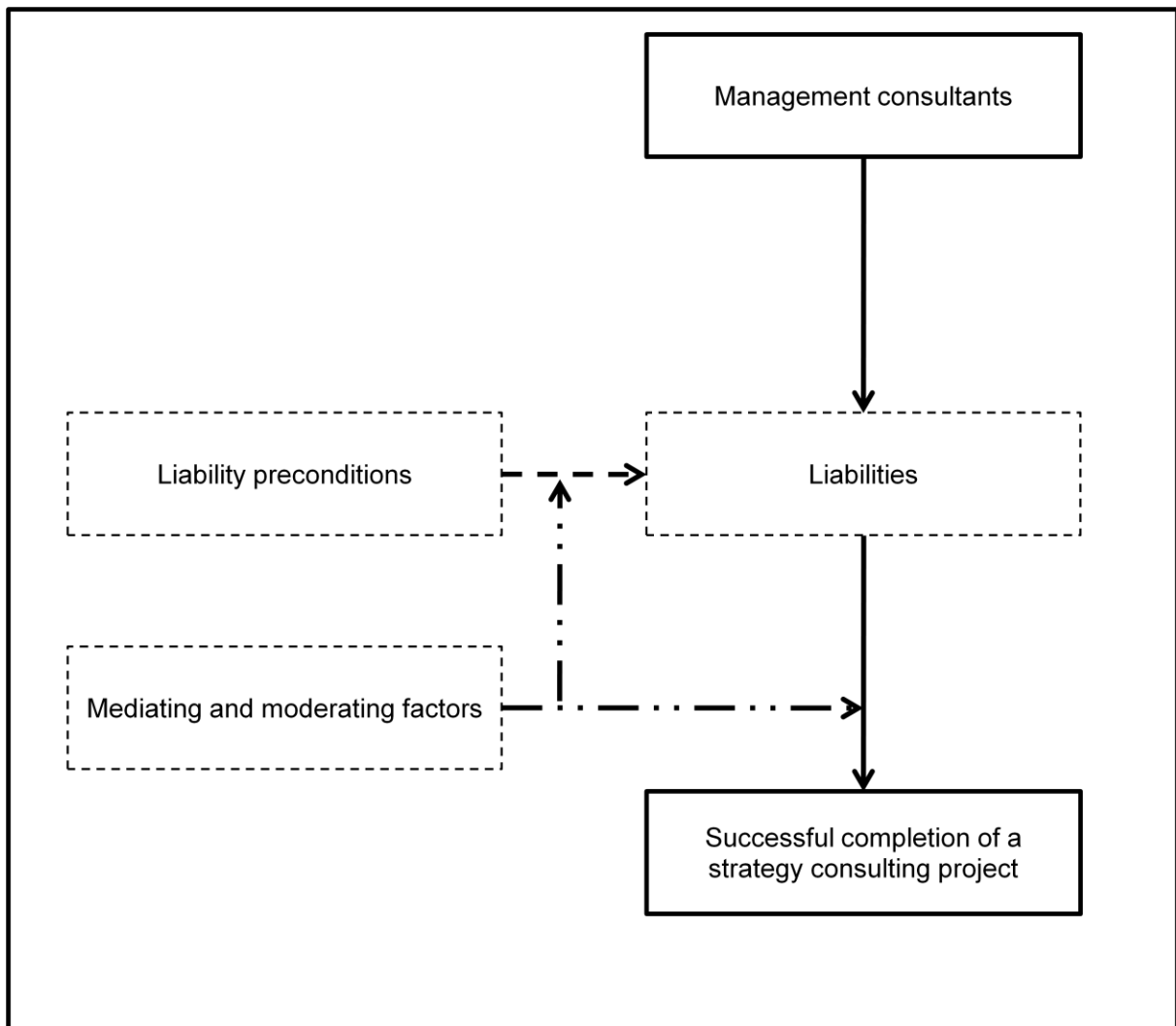
The empirical evidence with specific reference to the number of times the liabilities were mentioned in the various interviews, suggests that consultants do indeed experience not only the liabilities identified in the literature, but also the 18 (excluding the liability of successful consulting) potential management consulting liabilities. (Refer to Table 4.4 for quantitative data associated with the liabilities).

RO 5: Develop a management consultant liabilities framework

The principal aim of the research on which this dissertation is based, was to identify and develop a theoretical management consultant liabilities framework, which would provide conceptual clarity of the liabilities faced by management consultants during the process of assisting organisations with strategising.

Research indicated five variables that must be included in such a framework: management consultants, successful consulting, the liabilities, the 'inability pre-conditions' and mediating and moderating factors associated with the various liabilities. Figure 7.3 is a graphical depiction of the proposed management consultant liabilities framework, which has resulted from combining these five variables. It shows the liabilities, the moderators and mediators of these relationships, and where the management consultant has an impact on the implementation of a strategising project.

Figure 7.3: Management consultant liabilities framework



Source: own compilation based on research findings

Figure 7.3 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 pre-conditions'. The effect of which, on the relationship between management consultants and successful strategising, are mediated or moderated by eight factors. These eight factors also affect which of the various 'inability pre-conditions' associated with a specific liability, will create a hindrance for the management consultant.

7.3 CONCLUSIONS

The reader of this dissertation can draw the following conclusions:

- Management consultants do indeed face hindrances (liabilities) in the process of strategising.
- Liabilities are the result of a unique combination of various 'inability pre-conditions'.
- The identified liabilities are interrelated indicating that liabilities cannot be addressed in isolation, and what may manifest as one liability could be caused by another and *vice versa*.
- Eight factors will either mediate or moderate the effect the identified liabilities have on the ability of a management consultant to successfully complete a strategising project.
- The eight mediating or moderating factors also influence which of the 'inability pre-conditions' associated with a liability will combine to create the liability as experienced by a management consultant in a specific situation.

7.4 IMPLICATIONS

7.4.1 *Theoretical implications*

This dissertation therefore contributes to both Domain G and H of the S-as-P typology. S-as-P is regarded as the theory base of this study, as it has been suggested that the "true power of S-as-P lies in its ability to explain how strategy making is constrained" (Vaara and Wittington, 2012). The conceptual framework that this dissertation aimed to develop will enable one of the key groups of strategy practitioners, consultants, as identified by S-as-P research practitioners, Jarzabkowski and Spee (2009), to understand and mitigate the constraints they are

facing in the process of strategising. In mitigating, the liabilities consultants are enabled to materialise strategic initiatives that otherwise could have failed.

7.4.2 Management and social implications

When used correctly, the resulting management consulting liabilities framework will reduce the number of management consultants with an inability to strategise effectively as it enables them to avoid the obvious liabilities. The wider social impact of which is:

- An increase in the strategising success-rate of consultants will create greater demand for services, resulting in an increase turn-over for management consultants.
- An increase in the ability of management consultants clients' to implement a strategy effectively, increasing their ability to compete and grow in a market.
- In combination, these two elements should result in sustainable job creation.

7.5 LIMITATIONS

At this stage, it should be pointed out that the research that informs this dissertation cannot be generalised, as it is exploratory and descriptive in nature and made use of non-probability sampling techniques. This, however, does not diminish the validity of the research as numerous authors have indicated various methodological guidelines for "S-as-P" research. Although these guidelines differ from author to author, most authors agree on the following as parameters for "S-as-P" research (Balogun *et al.*, 2003; Campbell-Hunt, 2007; Johnson *et al.*, 2003):

- Research should span hierarchy levels within organisations (increased depth);
- Research should span various organisations, and should preferably include organisations from more than one country of origin;
- Research must not be too micro, thereby excluding context and becoming un-generalisable;

- Research must problemise performance, linking micro activity to macro results; and
- Research must allow the accumulation of practical knowledge.

The research that informs this dissertation adheres to all these requirements by:

- Interviewing management consultants with different levels of experience
- Interviewing management consultants affiliated with different organisations
- By focusing on overall experiences of a group of consultants, the research remains broad enough to ensure Meta theme saturation (Guest *et al*, 2006).
- The research on which this dissertation was based problemised the performance of management consultants when assisting organisations with strategising.
- The resultant management consultant liabilities framework can be applied practically, by management consultants to reduce the impact of the liabilities on their projects.

7.6 RECOMMENDATIONS FOR FUTURE RESEARCH

It is recommended that future research should investigate to which extent the liabilities influence the performance of consultants and their clients. A probability model, based on probability sampling methods that determine the extent to which mediating and moderating factors affect the impact of the liabilities, should also be developed.

7.7 TO CONCLUDE

Consultants sell value-adding solutions and change to client organisations by providing the client organisation with an external perspective on their current path; advising the client organisation on possible new paths and assisting the client organisation in implementing the new path, by acting as a path guide. This is achieved by getting the right information, to the right person, at the right time and in the right format to enable the client organisation to make a decision [definition based on interview responses].

Considering that the global market economy declined by 2.2% in 2009 (World Bank, 2011) and that the management consulting industry experienced a negative 9% growth rate (Von Uechtritz, 2010), it is possible that consultants are failing to provide their clients with value-adding solutions.

The research that informed this dissertation sought to explain an element of the "doing of strategy" by consultants (Jarzabkowski and Spee, 2009) and 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 mediating or moderating factors were identified and combined into a management consultant liabilities framework.

The management consultant liabilities framework proposed in this article does not only contribute to the accumulation of knowledge in the field of S-as-P research, but it also forms an integral part of the process of identifying and understanding the 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. Used correctly, this framework will eventually reduce the number of consultants with an inability to strategise successfully.

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APPENDIX A
- TITLE REGISTRATION -

APPENDIX B
- INFORMED CONSENT FORM -



Informed consent for participation in an academic research study

Dept. of Business Management

CONSULTANT LIABILITIES IN THE PROCESS OF STRATEGISING

Research conducted by:

Mrs. K. Stander (99010799)
Cell: 079 894 2574

Dear Respondent

You are invited to participate in an academic research study conducted by Karen Stander, a Masters student from the Department Business Management at the University of Pretoria.

The purpose of the study is to formulate and introduce a framework which will enable consultants to identify, understand and successfully mitigate the relevant liabilities in the process of strategising.

Please note the following:

- This study involves an anonymous interview. Your name will not appear on the questionnaire and the answers you give will be treated as strictly confidential. You cannot be identified in person based on the answers you give.
- Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
- The interview will be recorded, as to ensure no misunderstandings or misinterpretations. These recordings will however be treated as strictly confidential.
- Please answer the questions asked as completely and honestly as possible. This should not take more than 2 hours of your time.
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- Please contact my supervisor, Prof. M. Pretorius via email: marius.pretorius@up.ac.za if you have any questions or comments regarding the study.

Please sign the form to indicate that:

- You have read and understood the information provided above.
- You give your consent to participate in the study on a voluntary basis.

Respondent's signature

APPENDIX C
- ETHICAL CLEARANCE -

APPENDIX D
- PROOF OF ARTICLE ACCEPTANCE-

APPENDIX E
- PROOF OF ARTICLE SUBMISSION -

PLATE 1
- Raw Data -