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## **Managing Quality in Management Consulting**

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Defining quality in most institutions are clear and easy to do. However quality management is hard to define in case of services because services do not have such generally common, measureable and comparable features like products. In case of services without exact outcomes are even harder to define quality. Management consulting is such a service. Management consultants help organizations so solve complex, messy problems. It is very hard to define quality in this case. There is no one best way to manage quality in this case. The goal of this paper is to clarify how quality management can work in such circumstances in the management consulting services industry.

The paper is based on literature research and the author's own experiences as a certified ISO 9001 auditor. This gives a quality standard view of the paper, however other aspects are discussed as well.

Management consulting firms have to build trust. This is an important reason to concentrate on quality. Consulting companies can use several methods to increase their service quality. Mostly soft methods can be used because of the limited availability of possible statistical data. The most typical soft methods are shown in this paper.

Many of the consulting firms operate ISO 9001 standard-based quality management systems or TQM in their own organizations. Back in time this was a different story. In the 1980s consulting firms rather worked on their clients' quality concerns not on their own. This has change a lot since that. Nowadays there is so high need of quality operation with reduced costs that the consulting firms themselves also operate quality management systems. These systems can reduce costs as well by making better decisions and decreasing the cost of bad quality such as faulty products and guarantee costs. The features of the ISO 9001 standard are shown in this paper regarding the management consulting sector.

Quality is becoming a major issue for consulting companies to get new contracts. This is an industry based mainly on trust because the outcome of the service is not immediate and can hardly be measured. Consulting companies should not only keep the technical standards but have to satisfy the customers' requirements to provide a quality service.

## *Introduction*

Defining quality in most institutions are clear and easy to do. However quality management is hard to define in case of services because services do not have such generally common, measureable and comparable features like products. In case of services without exact outcomes are even harder to define quality. Business consulting is such a service. Business consultants help organizations so solve complex, messy problems. It is very hard to define quality in this case. There is no one best way to manage quality in this case. The goal of this paper is to clarify how quality management can work in such circumstances in the business consulting services industry.

The paper is based on literature research and the author's own experiences as a certified ISO 9001 auditor. This gives a quality standard view of the paper, however other aspects are discussed as well. The paper is mainly theoretical.

## *Quality of Services*

Quality is not only privilege of luxurious services. It is becoming a major issue in most of today's organizations. Nowadays the customers demand high quality service at a low cost. (Vörös, 2010)

Quality can be defined in several ways. The most common dimensions are the following:

- (1) compliance with standards,
- (2) satisfy the current demands of customers,
- (3) acceptable rate of price and costs,
- (4) satisfy the demands of future customers (Sziszkov, 1975).

These definitions can well define the quality of products or services in general terms. There are eight dimensions of quality of products (Garvin 1987) but these can be interpreted to products only and not to services. Zeithaml et al. (1985) defined ten dimensions of the quality of services:

- (1) Reliability: involves consistency of performance and dependability,
- (2) Responsiveness concerns the willingness or readiness of employees to provide service,
- (3) Competence means possession of the required skills and knowledge to perform the service,
- (4) Access involves approachability and ease of contact,
- (5) Courtesy involves politeness, respect, consideration, and friendliness of contact personnel (including receptionists, telephone operators, etc.),
- (6) Communication means keeping customers informed in language they can understand and listening to them,
- (7) Credibility involves trustworthiness, believability, honesty. It involves having the customer's best interests at heart,
- (8) Security is the freedom from danger,

- (9) Understanding/Knowing the customer involves making the effort to understand the customer's needs,
- (10) Tangibles include the physical evidence of the service.

These dimensions can help to understand the quality of services and help to manage their quality. By the research of Viadiu et al. (2002) the most important dimension in consulting is reliability. Reliability makes customer more satisfied which helps higher profit and lower employee turnover. The later one is very important in case of business consulting. As it is a high knowledge industry the main value of the company is in the employees.

The widely known and used ISO 9001 quality management system can be implemented in case of service providers to assure the quality of their service. The standard itself is very general which makes it easy to customize to the requirements of organizations (Schmuck, 2010).

## *Business Consulting*

Consulting has many definitions but the two main approaches are the following (Kubr, 2002). The first approach has a functional view: *"...any form of providing help on the content, process or structure of a task or series of tasks, where the consultant is not actually responsible for doing the task itself but is helping those who are"* (Steele, 1975:3). The second approach has a view of consulting as a professional service: *"You are consulting any time you are trying to change or improve a situation but have no direct control over the implementation... Most people in staff roles in organizations are really consultants even if they don't officially call themselves consultants"* (Block, 2000:XVII and 2). In any of these definitions consultants solve problems and help managing the change within the organization. Problems can be hard or soft (also called messy) problems. The messy problems are harder to solve, they don't have limits and the process to solve them is unknown. Hard problems are much easier to define: these are limited problems with known resources and predefined goals (Senior & Swailes, 2016). Consultants have roles solving any of these problems. Solving messy problems is a much harder work and the results are unknown. Clients usually choose their consultants based on the following:

- (1) Integrity and professional ethics the consulting company,
- (2) Professional competence,
- (3) Problem solving approach,
- (4) Capacity to deliver on time,
- (5) Ability to deploy resources,
- (6) Consultant's image and reputation (Svasta 2010).

## *Quality Management in the Business Consulting Service Sector*

Managing quality is particularly important in the business consulting industry because getting new contracts is not an easy task considering the intangible nature of consulting services and the fact that the result usually can not be seen immediately (Crăciun, 2013).

One way to achieve quality is to work with the ten dimensions of quality in mind. This can be considered as a base, but this can not guarantee the appropriate result of a consulting project.

One side of quality is the technical quality which conforms with technical standards (Kubr, 2002). Most of the consultant companies meet the requirements of this technical quality but their customers may not be happy with their consulting services. Customer satisfaction is a must in this industry which is mainly based on trust. As the outcome of the consulting services can not be guaranteed, organizations decide on new contracts based on their previous experiences (Mártonffy, 2009). In case an organization is not satisfied with the consultant it will probably look for other consulting company next time. Satisfied customers have several advantage in long term:

- (1) satisfied customers may became customers again,
  - (2) deepen their relationship with the company,
  - (3) have less price sensitivity,
  - (4) recommend the services to other people or organizations
- (Kotelnikov, 2017).

Management consulting firms have to build trust. The client has contract with the consulting firm and not with its individual employees so each worker in the organization has his/her role in building trust (Kubr, 2002). The main way to achieve this to employ people with highly professional consulting skills. This is the role of human resource management (Karolinyné & Poór, 2016). However this is expensive. Personnel training and motivation can also build skills and cause quality improvement (Crăciun, 2013). Some of the generally used methods of quality control can not be used in case of business consulting. For example there can not be secret shoppers in this case. Measurements are hard to achieve. Evaluating suppliers, who may be consultant people can be done only after experience with working them. However there are techniques that can be used. Consultants can use customer surveys to measure the customer satisfaction and identify problematic points in the value chain. It is important to have a continuous feedback loop (Center..., 2017). The organization should become a learning organization:

- (1) Leadership should be committed to learning,
- (2) Reflection should be built into daily routines,
- (3) Experiences should be converted to practical knowledge,
- (4) Collect and process experiences should be done together with the colleagues,

- (5) Innovation should become from inside based on the knowledge and not by joining external innovations (Kerekes et al., 2011).

Building an excellent customer relationship between the consulting firm and the customer can provide higher value to the customer than they expected. This gives the feel of a higher quality service and can result in new contacts (Biech, 2006).

Quality can be achieved by using the ISO 9001 quality management standard. Traditionally quality management had eight basic values (Schmuck, 2010). Two of them were joined together with the latest modification of the ISO 9001 standard in 2015. Because of this now there are seven quality management principles. These are the following:

- (1) Customer focus,
- (2) Leadership,
- (3) Engagement of people,
- (4) Process approach,
- (5) Improvement,
- (6) Evidence-based decision making,
- (7) Relationship management.

Using these basic principles ensure that the company operates by quality management standard meaning that the operations are well documented and the decisions are based on actual data analysis. Operations conforming the ISO 9001 quality management standard also ensure that the organization has customer satisfaction in its focus and it is continually trying to increase its processes and quality. In long term this should result in the growth of quality.

Consulting companies can use methods to increase their quality as well. Mostly soft methods can be used because of the limited availability of possible statistical data. The Japanese 5S method can help to increase work productivity and decrease faults by helping to build a work environment both physically and mentally. This makes the first impressions of the customers better and increase the work morale of employees (Dézsán, 2007). The 5S are the following (in brackets the original Japanese words):

- (1) Sort (Seiri): Selecting and determining the needed objects for work and removing anything that is not needed,
- (2) Set In Order (Seiton): Correct layout of the selected objects,
- (3) Shine (Seiso): The cleanness, order and beauty of the workplace,
- (4) Standardize (Seiketsu): Using the previous three by everyone in the organization,
- (5) Sustain (Shitsuke): Esteem of organizations values and follow expected behavioral patterns within the organization (Schmuck, 2010).

Using brainstorming can also help the quality of organizations (Dézsán, 2007). In brainstorming people have a meeting to gather ideas and make decisions on a predefined problem or subject. Special team meeting can be

done in quality. Quality circles have the role to solve quality problems in the organization (Titkos, 1998).

Many of the consulting firms operate ISO 9001 standard-based quality management systems or TQM in their own organizations. Back in time this was a different story. In the 1980s consulting firms rather worked on their clients' quality concerns not on their own. This has change a lot since that. Nowadays there is so high need of quality operation with reduced costs that the consulting firms themselves also operate quality management systems. These systems can reduce costs as well by making better decisions and decreasing the cost of bad quality such as faulty products and guarantee costs (Schmuck, 2010).

## Conclusions

Quality is becoming a major issue for consulting companies to get new contracts. This is an industry based mainly on trust because the outcome of the service is not immediate and can hardly be measured. Consulting companies should not only keep the technical standards but have to satisfy the customers' requirements to provide a quality service. The service wheels explains why customer satisfaction is very important. Building trust is a major issue. Using appropriate human resource techniques and the 5S method can help to achieve this. Brainstorming technique can also help. Quality can also be managed by the ISO 9001 quality management standard. Many of the consulting firms use this standard or the TQM management method.

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