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MSc in Business & Economics, Specialization in Management

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## I need you but I don't know why

*A qualitative and exploratory study about how the need to purchase management consultancy services is constructed in the client organization*

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*The usage of management consultancy services is becoming a more frequent phenomenon for organizations in today's business climate. It is of high strategic importance and implies both opportunities and challenges for organizations as the purchase is of high strategic importance. Yet, how the need to purchase these services is constructed in the buying organization remains unanswered. In order to , this study aims explore the context of which the needs are constructed in, by investigating 12 buying organizations in three different industries, thus conducting three case studies. The findings from the studies implied that the need to purchase management consultancy services is constructed differently depending on industry, the situations from which the need origin, as well as how one react to that situation and who is allowed to participate. The results enhance the understanding of how a need to purchase management consultants is constructed, contributing to management consultancy literature and purchasing literature in a theoretical manner, as well as it contributes to managerial insights for both the buying organization and the firm providing management consultancy services.*

**KEYWORDS:** management consultancy services, management consultant, client organization, need construction

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*Sincerely,*

Amelie Jakobsson & Matilda Täng

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## Definitions

**Management Consultant:** The term management consultant has many varying definitions. In this study, the term management consultant is used as a generic term, applying to all those who perform all or some of the typical consulting function in the field of management (Kubr, 2002). In this study, the term management consultant is shortened to MC.

**Management consultancy services:** A management consultancy service is an independent advisory service that aims to assist managers and organizations to achieve organizational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, and enhancing learning and implementing changes (Kubr, 2002). In this study, management consultancy services are shortened to MCS.

**Client:** In this study, the term client is used as a generic term, applying to a manager, an administrator, or an organization using management consultancy services (Kubr, 2002).

**Need construction:** The phenomenon of need construction has been given limited attention in research in general. In accordance to this, no established theoretical definition of what a need construction is or how it occurs exists. In this study, the term need construction aims to understand what and how different factors, dimensions, and/or actors affect the need to purchase MCS.

# 1. Introduction

*Purchasing professional services from external sources, instead of developing these competencies internally, is becoming a more frequent phenomenon in today's business climate (Ellram et al. 2002; Furusten & Werr 2012). The concept of purchasing professional services from external sources implies both upsides and downsides for organizations (Pemer, 2008). One central and influencing aspect of buying management consultancy services is the procedure of distinguishing what to buy, in other words, what the organization need. However, limited research has been conducted regarding how the need for these consultancy services is constructed (Pemer, 2008). The following section outlines the current state of the management consultancy industry, presents the benefits and challenges with buying professional services and emphasizes how the construction of the need for management consultancy services plays a vital part in the outcome of the purchase. The section results in a presentation of the problematization of the study and introduces the purpose and contribution of the study.*

## Expert society

A new era is on the rise in society, namely the so-called expert society (Furusten & Werr, 2012). The expert society is characterized by people and organizations from different contexts putting an increasingly amount of confidence in experts to provide help and support in a large range of fragmented questions and situations. A distinguishing feature of the expert society is its composition so-called “non-traditional” experts, meaning that these experts do not follow traditional categorizations for how expert knowledge has been established and consolidated (Brint, 1994). One prominent non-traditional expert rising in the expert society is the management consultant (Furusten & Werr, 2012).

## Management consultants

The usage of MCS and their services has increased dramatically in the last decade (FEACO, 2003; Greiner & Poulfelt, 2005). MCS play an increasingly central role in organizations and are to a greater extend becoming a part of everyday organizational life. They provide strategically important knowledge and innovation, where the purchase and the managing of MC represent a complex task (FEACO, 2014; Mitchell, 1994; Smeltzer & Ogden, 2002). Furthermore, as MCS constitute a high cost purchase in combination with being utilized in critical situations where the consequences of failure are substantial, purchasing MCS imply high stakes both financially and strategically (Mitchell, 1994).

### The management consultant-client relationship

The growth of the consultancy industry is often being referred to as shifting location of organizational boundaries, as well as it is constantly changing managerial ideals and practices regarding the roles within the organization. The former refers to trends in outsourcing and downsizing resulting in a range of tasks that were previously performed in-house being externalized, thus creating an expanding outsourcing market for MCS. The latter gives rise to the possibility of new roles for clients and consultants and, in the process, a radical shift in the nature of the client-consultant relationship (Fincham 1999; Matusik & Hill 1998; Werr & Linnarsson 2002; Werr & Styhre 2002). The last statement highlights the phenomenon of management consulting constituting a supply and demand relationship between the consultants and the client, implying a mutual dependence of each other. However, the client perspective in this relationship, and in particular the client's need that constitutes a significant driver of this mutual relationships existence, remains fairly uninvestigated. Research on the topic describes a number of motives and reasons as to *why* clients purchase MCS. However, no extensive research is conducted regarding *how* this need for MCS is *constructed*. The significance in investigating how the need for MCs is constructed is further supported by previous research describing that the construction of different type of knowledge is important for what type of knowledge an organization decides to purchase and how they tend to organize the use of it (Pemer, 2008). Thus, implying that a greater understanding of the construction of a need for MC would contribute with valuable insights.

### Purchasing process and actors involved

Drawing attention to the actual purchase of MCS, research describes it as a complex, financially demanding, and strategically important task (Van der Valk & Rozemeijer, 2009). Previous research regarding the purchase of MCS have either taken a functional approach or a critical approach. The functional approach derives from rational and transaction oriented assumptions and tends to portray the need of external knowledge in an organization as exogenous and objective (Armbruster, 2006). The critical approach questions the knowledge of the suppliers of knowledge intense services, where studies regarding rhetoric and impact control is used to fabricate the services as valuable for the users (Alvesson, 1993; Clark, 1995). The buyers of knowledge intense services within this research approach tend to be described as passive recipient of the supplier's ideas of the service, rather than active participants in the process of constructing a need. Common for the two approaches are the characteristic focus on the supplier, and little focus are given to the users of the knowledge intense services.

A less investigated perspective is the contextual approach, and is contrary to the two previously mentioned approaches, striving towards a more nuanced view of the buyer. Whilst the functional and critical approach consider the buyer as rational, passive and isolated, the contextual approach includes the behavior of the buyers and the integration between other groups within the organization when buying and using external knowledge. Furthermore, not much attention has been given to the surrounding context and its implication on how external knowledge is bought and used in organizations (Furusten & Werr 2005; Miles 2005; Perner 2008). As of today, the contextual approach is relatively small, especially compared to the functional and critical approach, hence more research is needed regarding the users of knowledge intensive services and its surrounding context (Näslund & Perner 2012).

The scarce research that do in fact include the buyer perspective in the purchase of MCS, tends to highlight that the decisions regarding this complex, demanding and strategically important task is purely centralized to the manager of an organization, emphasizing the purchase being highly relational (Perner & Werr, 2007). However, a new trend of formalizing efforts is on the rise, implying a more transactional approach towards the purchase as a response to the growing need for cost control and transparency. This trend of formalization opens up and invites other actors within the organization to take part in the purchase of MCS (Perner & Werr, 2007). In accordance to the new trend, one group of actors entering the purchasing arena for MCS are the purchasing professionals, trying to contribute with their expertise in the area. Not only are they used to purchasing related tasks, but in recent years, purchasing professionals are gaining a higher degree of legitimization and importance in organizations (Furusten & Werr, 2012). The purchasing professionals' participation implies increased participation in the purchase of MCS. However, few studies are conducted to investigate their involvement and its impact on the need construction. Moreover, the phenomenon of who is involved in the purchase and how this will affect the construction of a need. The lack of research regarding who is involved in the purchase of management consultants and how this will affect the construction of a need, relates to the fact that few studies have taken the client perspective in studying how the need is constructed before the purchase itself and studied the implications of a client's context (Perner & Werr, 2013). As other actors in the client organization could have extensive impact on the purchasing and the usage of management consultancy services, there is a need for a more nuanced view of the client, including the context in which organizations operates and other actors within the organization (Perner, 2008; Werr & Styhre, 2002).



## 1.1 Problematization

The mutual dependence between the client organization and the provider of MCS highlights a product and a consequence of a new society, characterized by a growing usage of MCS and thus an increased need for, and creation of, “non traditional” experts. Yet, how that need is constructed in the client organization, remains unanswered. Such knowledge would create further understanding of the client-consultant relationships, as well as contributing to valuable insights for both the buying organization as well as the provider of MCS. The increased use of MCS has also brought forth changes in the organizations regarding how the purchase of MCS is organized and who is involved, a perspective that also relates to the how the need is constructed. Previous research regarding the purchase of MCS has primarily taken a functional or critical approach, focusing on the supplier of the MCS and giving little attention to the users. Less attention has been given to who the contextual approach, meaning who is involved in the purchase from the client perspective and implications related to the client’s context. Understanding who gets to be involved in the purchase of MCS and in the definition of the need for MCS, contributes to deeper understanding of the context of which the need to purchase MCS is constructed.

## 1.2 Research Purpose

The purpose of this study is to provide an understanding of how the need to purchase MCS is constructed in buying organizations. To grasp the contextual aspect of how the need to purchase management consultants is constructed, the study aims to highlight the actors and the industrial context impacting the construction. The following research questions will guide the aim of the study;

### 1.2.1 Research Questions

The following research question will guide the purpose of the study:

*How is the need to purchase management consultancy services constructed in buying organizations?*

The overarching research question will be operationalized by attending to two main sub-questions:

- (i) *How is the need to purchase management consultancy services constructed in buying organizations in different industries?*
- (ii) *How do different actors impact the construction of a need to purchase management consultancy services?*

### 1.3 Delimitations

As the construction of a need is not found to be theorized in previous research, this study provides a new vein of research within the field of purchasing professional services. The scarce research of how different contexts affect the construction of a need implies that several contexts and factors represent intriguing avenues for further investigation. In this study, the context is delimited to 3 different industries, with three different actors within respective industry.

The investigated industries are further delimited to four organizations within respective industry to grasp the context of the industry and exclude specific organizational factors. The chosen actors within these organizations are further delimited to actors being involved with the purchase of management consultancy services, based on previous literature (Pemer, 2008; Mitchell, 2003). These actors constitute the CEO, the purchasing manager, and the HR-manager in respective industry.

Finally, the thesis is further delimited to the Swedish organizational context. The sample consists of the largest companies within each investigated industry. Due to employee confidentiality, the investigated organizations and the actors within them remain anonymous throughout the study. Even though the study only investigates Swedish organizations, it provides insights and findings, such as underlying mechanisms and a deeper understanding, about the construction of a need for MCS that are applicable on a more general level.

### 1.4 Disposition

The study is divided into seven sections. The first section, *Introduction*, aims to clarify the purpose of the study. It also describes the background of the study, necessary for the reader to gain an understanding of the topic and the context of the research. Further, it includes the research questions as well as delimitations. The second section, *Theory*, is divided into two subsections, namely previous research and theoretical framework. Previous research describes relevant research of the chosen topic and highlights the theoretical gap of the study. The theoretical framework, which evolved in an iterative process alongside the data collection, aims to guide and support the analysis. Section three, *Methodology*, is an exposition of the methodological considerations being made to ensure that the right research approach and method was applied when conducting the study. It consists of the scientific approach, data collection, data documentation, data analysis and quality considerations. Section four, *Results*,

presents the empirical results from the three case studies and aims to shed light on how the need to purchase MCS are constructed and what actors are involved in that construction. Section five, *Analysis*, contains the analysis of the three case studies. The analysis provides both separate analyses of respective industry, as well as a comparison of the three studies. Finally, section six, *Conclusions*, will conclude the thesis by addressing the research question, theoretical contribution, practical contribution, limitations and future research.

## 2. Theory

*The following section is divided into two overarching parts; the literature review and the theoretical framework. The literature review is conducted to provide an overview of context of the study and to legitimize its problematization. The literature presents relevant existing research to highlight the identified and significant research gaps motivating the study. The theoretical framework aims to guide and support the analysis in order to gain deeper insights corresponding to the purpose of the study.*

### 2.1 Literature Review

The literature review is divided into four parts. The first part provides a background of the study by describing the so-called expert society, i.e. the phenomena from which the MCS emerge from. The second part provides knowledge about MCS by attending to the nature of the MC-profession and by describing common motives to purchase the service. The third part describes the purchasing literature by attending to the emergence of purchasing departments and purchasing professionals, as well as the existing theory on purchasing processes of MCS. The last part further distinguishes the theoretical research gap to highlight the contribution of the present study.

#### 2.1.1 Expert Society

Society is experiencing the rise of a so-called expert society (Furusten & Werr, 2012). The expert society is characterized by the fact that more people are putting confidence in experts to provide help and support in a large range of fragmented questions and situations. What further distinguishes the expert society is that the experts included in the definition of the expert society are categorized as so-called “non-traditional” experts. They differ from the “traditional” experts in society, such as doctors, dentists, and lawyers, by the fact that they do not follow the traditional techniques for how expert-knowledge has been established and consolidated (Brint, 1994). What a “non-traditional” expert is and does, is hard to define. Yet, four identities of “non-traditional” experts have been identified, namely the management consultant, the IT-consultant, the business lawyer, and the communication consultant (Furusten & Werr, 2012). One of these “non-traditional” experts that have experienced a dramatic increase of their services are the management consultants (FEACO, 2003; Greiner & Poulfelt, 2005). It is argued that MCs play an increasingly central role in organizations, providing strategically important knowledge where large sums are spent on their services each year (FEACO, 2014). Thus, MCs

increasingly apparent importance in organizations, signals a high relevance to understand more about how the need for management consultant, is constructed.

In line with the statement that it is hard to pin down the specific nature and actions of a “non-traditional” expert, the nature and actions of a MC is hard to define. This is the case for both the buying organization and for the MC firm. This embedded ambiguousness differs compared to the traditional experts (Furusten & Werr, 2012), such as lawyers and doctors, who have a clear definition of what they are and what they do.

*Knowing how the need is constructed in the buying organization can increase the understanding of the drastic emergence, effects, and consequences of the expert society. Furthermore, investigating how the need for MCS is constructed can contribute to a deeper understanding of the supply-demand relationship between the buying organization and the management consultancy firm beyond the current state which simply constitutes of a notion that there is a need. Rather, understanding the construction can provide a deeper understanding of where and how a need originates. This leads up to the next section describing previous literature regarding management consultancy services, highlighting the scarce research on how the need of their service occur.*

#### 2.1.1.1 The Management Consultant

Traditional expert that belongs to classical professions collect their status of expertise from a unified, legitimized and codified knowledge base (Furusten & Werr, 2012). This unified knowledge provides the foundation for the professional practice. This type of unified knowledge base does not exist for management consultants. Most consultancy services are intangible, hard to describe, measure and evaluate (Werr & Furusten, 2012; Alexius, 2007). The definitions of the work of management consultants are typically open and ambiguous. Some examples of management consultant definitions are listed below to highlight the dispersed nature of the service:

**Definition:** Management consulting is an independent advisory service assisting managers and organizations to achieve organizational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning and implementing changes (Kubr, 2002).

**Definition:** A management consultant is said to be in a position to make an unbiased assessment of any situation, tell the truth and recommend frankly and objectively what the client organization needs to do without having any second thoughts on how this might affect his or her interest (Alvesson & Johansson, 2000).

**Definition:** Consulting is a complex professional activity in which the consultant provides technical and problem-solving skills, specialized knowledge, and work systems and processes to improve the function and outcomes of the consulted (Wallace & Hall, 1996).

**Definition:** A person who is in the position to exert an influence on an individual, a group or an organization but who does not possess a direct power to implement “change” or “interventions” (Mohe, 2008).

The definitions highlight the fact that the nature of management consultants is not limited or defined by a unified specific knowledge base. Diversity is rather the MCs’ trademark. In line with this statement, MCs are generalist rather than specialists. They have a wide knowledge base and an understanding of what knowledge can be valuable to utilize in different situations. It does happen that features and techniques becomes popular and spreads across the consulting landscape, shedding the illusion of a unified knowledge base, but the nature of the consultancy industry is foremost permeated of variety and improvisation (Furusten, 2003; Alexius, 2007; Whittle, 2008).

The lack of a unified definition of the MC has major implications for the buying organization (Glucker & Armbruster, 2006). As anyone can call oneself a MC, the expectation regarding the profession, the delivery, the results, and the evaluation becomes hard to define, increasing the perceived risk and uncertainty for the client organization (Mitchell, 1994). *So why then purchase a service that is so difficult to define?*

#### 2.1.1.2 Motives

The motive to hire management consultants often start with dissatisfaction within the organization and a need for change (Andersson, 2001). The author suggest that the reasons can be further categorized into five different of areas:

- (i) The consultant possesses specific knowledge that does not exist within the organization.
- (ii) When the organization need help that is of temporary character.
- (iii) The consultant has an objective perspective and is from the outside.
- (iv) The consultant is confirming and legitimizing.
- (v) The consultant contributes to learning within the organization.

*Clearly, previous research regarding the usage and the motives to purchase MCS provide some sort of understanding to why organizations purchase the service. Yet a gap appears in the MC literature regarding how that need is constructed, including what actors are involved and to what extent. Knowing the need construction may contribute to a deeper understanding of the client-consultant relationship as knowing how and why the consultant is needed in more detail from the client perspective.*

### 2.1.2 Management Consultancy Research

The previous research regarding consultancy research can be divided into different approaches, namely the functional, the critical, and the contextual approach. The functional approach highlights the ability of the suppliers of knowledge intense services to meet the organizational need of expert knowledge and experience (Czerniawska 2002; Kubr 2002; Maister 2003). The functional approach derives from rational and transaction oriented assumptions, and tends to portray the need of external knowledge in an organization as exogenous and objective (Armbruster, 2006). Furthermore, the buyers of knowledge intense services tend to be described as rational decision makers, focusing on the cost of the alternative to either buy or develop the knowledge, when choosing (McKenna, 2006).

The critical approach on the other hand, question the knowledge of the suppliers of knowledge intense services, where studies regarding rhetoric and impact control is used to fabricate the services as valuable for the users (Alvesson, 1993; Clark, 1995). The buyers of knowledge intense services within this area of researchers tend to be described as passive recipient of the supplier's ideas of the service, rather than active participants in the process of constructing a need. Common for the two approaches are the characteristic focus on the supplier, and little focus are given to the users of the knowledge intense services. The few studies that have been made, consist of a highly homogenous group of isolated, autocratic leaders at top positions, whom individually decide, buy and use knowledge intense services. Hence, few studies have focused on other actors within the client organization, how the need to buy knowledge intense services is constructed and the influence of the surrounding context (Pemer, 2008; Pemer & Werr 2013).

The third approach, the contextual, has evolved during the last couple of years and is characterized and build upon systematic empirical studies striving towards a more nuanced

view of the buyer. Contrary of the functional and critical approach where the buyer is considered rational, passive and isolated, the contextual approach includes the behavior of the buyers and the integration between other groups within the organization when buying and using external knowledge. Furthermore, little attention has been given to the surrounding context and its implication on how external knowledge is bought and used in organizations (Furusten & Werr 2005; Miles 2005; Perner 2008). As of today, the contextual approach is relatively small, especially compared to the functional and critical approach, hence more research is needed regarding the users of knowledge intensive services and its surrounding context (Näslund & Perner 2012). *Hence, this study undertakes a contextual approach, emphasizing who is involved in the purchase of MCS by investigating multiple actors, in multiple organizations, in multiple industries.*

### 2.1.3 Purchasing Literature

#### 2.1.3.1 Managers making the decision

Previous studies regarding who is involved with the decision to purchase consultancy services has been made. The results showed that the decision has previously been made only by the managers, while the other actors has not been involved at all in the process more than controlling the contract. The managers have previously assumed the purchase of consultants to be their responsibility, and it has not always been seen as a purchase, rather “a solution to a problem”, or as “someone knowledgeable to discuss ideas with” according to Furusten & Werr, (2012). Yet recently, there has been a trend leaning towards formalization and a more transactional approach to purchasing as many organizations is in the need of cost control and transparency (Werr & Perner, 2007).

#### 2.1.3.2 Actors involved with the purchase of management consultancy services

As implied above, there is a need for a more thorough investigation of which actors are involved in the need construction within the buying organization. The existing research of the buying organization have focused on autocratic leaders at top positions, whom individually decide, buy and use knowledge intense services. However, another actor, becoming increasingly involved in the purchase of MCS, and thus becoming more influential of the need construction of MCS, is the purchasing manager. Even though the purchasing manager have an increasingly apparent role, and that the purchase of MCS are financially demanding and of strategic importance, limited research has been conducted to investigate the implications of the purchasing manager's



involvement (Van der Valk & Rozemeijer, 2009). The studies that has been made tends to focus on the purchasing process and the different purchasing procedures. Less attention has been given to how the person coordinating the purchase can have an impact on the purchase (Werr & Perner, 2007; Van der Valk & Rozemeijer, 2009; Sieweke et al 2003).

#### *2.1.3.3 The development of purchasing professionals*

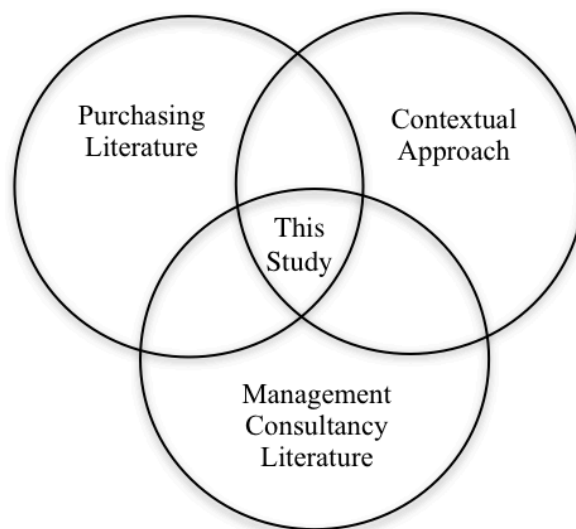
The focus of the purchasing department is shifting from a merely static function that purchases products and services to the lowest price, to having a more strategic outlook and focus. They are, to a greater extent, responsible for the creation and development of a supplier base, supplier relations, supplier chains, and supplier networks (Axelsson, 2005). In relation to this, the purchasing department is experiencing a growing status as the profession is gaining its own certifications, branch organizations, and specializations at universities and colleges. This has led to a new knowledge area arising, changing how a purchase should be organized, and how suppliers can be categorized; organized; coordinated, and integrated (Furusten & Werr, 2012). Common for the formalized processes are that they strive towards contributing to the organization, as becoming more competitive, as they do not only make sure that the right product or service is available for organizations at the right time for the right cost, they also make sure that the relation and interplay between the supplier and the organization is functioning, resulting in increased value and new innovations (Perner, 2012). In organizations where the purchasing department has had a stronger position and an outspoken support from the management, they have had a more offensive approach, and developed purchasing processes for consultants, as well as control and follow-up procedures, in order to capture the managers not following the proposed processes (Perner & Skjolsvik, 2012).

#### *2.1.3.4 Development of more formalized purchasing processes*

As indicated above, there is a growing idea that MCS not necessarily need to be purchased by relational process, and that instead, other more transactional processes can, and sometimes should, be used (Furusten & Werr, 2012). The new purchasing approach has become an international phenomena and can be stated to be a trend. The formalizing trend implies that organizations that purchases MCS are abandoning the relational way of purchasing to a further extent, replacing it with policies, processes and structures guiding the purchase. Nevertheless, many organizations are still using relational aspects when hiring management consultants (Perner & Werr, 2007).

#### 2.1.4 Identified gaps

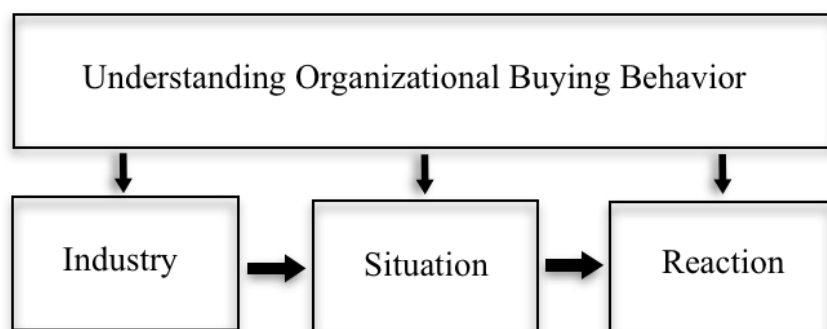
Based on the literature review, three gaps can be identified: Firstly, the emerging expert society have brought forth a new so-called non-traditional expert: the management consultant. The usage of MCs is a growing phenomenon and they are becoming an increasingly important strategic tool for organizations development (Axelsson, 2005). The supply-demand relationship between the buying organization and the MC firm, would further be understood by not just knowing that there is a need in the buying organization, but knowing where that need originates from and how it is constructed. Secondly, previous research on the topic has given limited attention to the contextual approach, including more actors in the studies. Hence this study investigates multiple actors in multiple organizations, in multiple industries in order to grasp the context of which the need is constructed. Lastly, previous literature regarding the purchase of MCS highlights the emergence of purchasing departments and purchasing professionals, as the nature of the purchase tends to shift from being purely relational to including more transactional features.



*Model 1: A Venn-diagram overviewing the research gaps*

## 2.2 Theoretical Framework

*The following section presents the study's theoretical framework. An extensive search within the management and purchasing literature was conducted in order to find an appropriate model to problematize the phenomenon of need construction in an organizational context. However, no previous research attends to the subject. Thus, the theoretical framework is a construct based on the absence of an existing descriptive model of how a need is constructed. The method was evaluated appropriate as it correlates with the explorative and inductive nature of the study, implying that the framework is a synthesis of the building blocks detected throughout the study as important in the construction of a need for MCS (Beiske, 2007). The framework is divided into four parts. The first part constitutes of a general model for understanding organizational buying behavior. The reasoning behind the usage of this model is that the action of a purchase implies that a need has occurred, leading to this purchase. Thus, the purchase implies that a need construction has taken. Hence, the purchasing process will constitute the "atmosphere" in which a need is constructed. The model works as a guiding tool throughout the analysis as it describes the purchasing process of institutional purchase. Thereafter, the structure of the framework follows the structure of the analysis, implying a structure consisting of the 3 parts: industry, situation and reaction. Thus, the second part of the framework, the industry, introduces a model describing two different ways of using consultancy services and how these usage methods can be derived from industrial features. The third part of the framework, the situation, introduces 3 different theories, namely (i) risk theory, (ii) formalization theory, and (iii) knowledge evaluation theory. The fourth part of the framework, the reaction, involves features from the general model for understanding organizational, and will hence not be further developed into its own section. The following model provides an overview of the framework:*



*Model 2: Overview of the theoretical framework made by the authors*

### 2.2.1 Part 1: Understanding Organizational Buying Behavior

Webster & Wind (1996) provides a general model for understanding organizational buying behavior, being a framework that outlines the decision process in an industrial context. Using the decision process as a guide in understanding what factor influencing the buying behavior, drives the analysis as towards understanding how the need to purchase management consultancy services is constructed. The model consists of five layers: *The environment, the organization, the buying center, the individual participants, and the buying decision* (see model 3). These layers will be described below.



*Model 3: Understanding Organizational Buying Behavior*

#### *The Environment*

Environmental influences are subtle and pervasive as well as difficult to identify and measure. They influence the buying process by providing information as well as constraints and opportunities. Environmental influences include physical, technological, economic, political, legal, and cultural factors. These influences are exerted through a variety of institutions including business firms, governments, unions, political parties, educational and medical institutions, trade associations, and professional groups. Environmental factors determine the values and norms guiding inter organizational and interpersonal relationships between buyers and sellers as well as among competitors, and between buying organizations and other institutions such as governments and trade associations. Such values and norms may be codified into laws, or they may be implicit. Cultural, social, legal and political are dominant sources of

values and norms. Finally, environmental forces influence the information flow into the buying organization (Webster & Wind, 1996).

### *The Organization*

Organizational factors cause individual decision makers to act differently than they would if they were functioning alone or in a different organization. Organizational buying behavior is motivated and directed by the organization's goals and is constrained by its financial, technological, and human resources. The following four interacting variables can explain how the organization influences the buying process: (i) *The buying task*, (ii) *the organizational structure*, (iii) *the buying technology*, (iv) *and the buying center*. Among these variables, one can interpret that the buying task, the organizational structure and the buying, as being the most relevant for the study, and will thus be further explained in the following sections.

### *Buying tasks*

The variable *buying task* describes how organizational goals and tasks evolves by defining the buying situation. These are pure task variables by definition. The specific tasks that must be performed to solve the buying problem can be defined as five stages in the buying decision process: identification of need; establishment of specifications; identification of alternatives; evaluation of alternatives; and selection of suppliers.

Buying tasks can be further defined according to four dimensions: (i) The organizational purpose served (ii) The nature of demand and especially whether demand for the product is generated within the buying organization or by forces outside of the organization as well as other characteristics of the demand pattern such as seasonal and cyclical fluctuations. (iii) The degree of routines at the five stages of the decision process. (iv) The degree of decentralization and the extent to which buying authority has been delegated to operating levels in the organization.

### *Organizational structure*

The next variable in the model is the organizational structure. The organizational structure consists the subsystems: *communication*, *authority*, *status* and *rewards*. Within the first subsystem, communication, there is especially one function relevant for the study, namely the pattern of influence and persuasion. This defines the nature of interpersonal interactions within the buying center. Organizational members may differ in the extent to which they prefer either

commands and instructions or subtler influence and persuasion to guide the actions of subordinates. Furthermore, the integrative functions of communication become critical in coordinating the functioning of the buying center and may be one of the primary roles of the purchasing manager. The second subsystem, the authority subsystem, defines the power of organizational actors to judge, command, or otherwise act to influence the behavior of others in a purchase. No factor is more critical in understanding the organizational buying process because the authority structure determines who sets goals and who evaluates organizational performance. The authority structure interacts with the communication structure to determine the degree of decentralization in the decision process. The next subsystem, *the status system*, is reflected in the organizational chart and defines the hierarchical structure of the formal organization. It also expresses itself in an informal structure. Knowing the responsibility, authority, and the position in the internal status hierarchy of each member of the buying center is a necessary basis for developing a strategy for the organizational customer.

### *Buying Center*

The buying center constitute the organizational actors involved in the purchase, defined by five roles: Users (members of the organization who use the purchased products and services), buyers (those with formal responsibility and authority for contracting with suppliers), influencers (those who influence the decision process directly or indirectly by providing information and criteria for evaluating alternative buying actions), deciders (those with authority to choose among alternative buying actions), and gatekeepers (those who control the flow of information into the buying center. Since people operate as part of the total organization, the behavior of members of the buying center reflects the influence of others as well as the effect of the buying task, the organizational structure, and technology. This interaction leads to unique buying behavior in each customer organization. It is important to define the locus of buying responsibility within the customer organization, to define the composition of the buying center, and to understand the structure of roles and authority within the buying center, which in turn have impact on the purchase.

### *Social Influences*

The framework for understanding the buying decision process must identify and relate three classes of variables involved in the group functioning in the buying center. First, the various roles in the buying center must be identified. Second, factors relating to interpersonal interaction between persons in the buying center, as well as between members of the buying

center and "outsiders" such as vendors' salesmen, must be identified. Third, the functioning of the group as a whole must be considered. Five classes of variables influence group functioning: the individual members' goals and personal characteristics, the nature of leadership within the group, the structure of the group, the tasks performed by the group, and external influences.

In analyzing the functioning of the buying center, it helps to focus attention on the buyer role, primarily because a member of the purchasing department is most often the supplier's primary contact point with the organization. Buyers often have authority for managing the contacts of suppliers with other organizational actors, and thus also perform the "gatekeeper" function. While the buyer's authority for selection of suppliers may be seriously constrained by decisions at earlier stages of the decision process (especially the development of specifications), he has responsibility for the terminal stages of the process. In other words, the buyer is, in most cases, the final decision maker and the target of influence attempts by other members of the buying center. In performing their task, purchasing agents use a variety of tactics to enhance their power that vary with the specific problems, the conditions of the organization, and the purchasing agent's personality. These include rule-oriented tactics (appealing to the boss for the enforcement of organizational policy; appealing to rules and formal statements of authority); rule-evading tactics (with requests from users that violate organizational policies); personal-political tactics (reliance on informal relationships and friendships to get decisions made and an exchange of favors with other members of the buying center); educational tactics (e.g., persuading other members of the organization to think in purchasing terms and to recognize the importance and potential contribution of the purchasing function); and finally, organizational-Interactional tactics (e.g., change the formal organizational structure and the pattern of reporting relationships and information flows). Ambitious buyers who wish to extend the scope of their influence will adopt certain tactics and engage in bargaining activities in an attempt to become more influential at earlier stages of the buying process.

### *The Individual Participants*

After all, all organizational buying behavior is individual behavior. Only the individual as an individual or a member of a group can define and analyze buying situations, decide and act. In this behavior, the individual is motivated by a complex combination of personal and organizational objectives, constrained by policies and information filtered through the formal organization, and influenced by other members of the buying center. The organizational buyer's personality, perceived role set, motivation, cognition and learning are the basic psychological

processes, which affect his response to the buying situation. Cultural, organizational, and social factors are important influences on the individual and are reflected in his previous experiences, awareness of, attitudes and preference toward particular vendors and products and his particular buying decision models (Webster & Wind, 1996).

The organizational buyer is motivated by a complex combination of individual and organizational objectives and is dependent upon others for the satisfaction of these needs in several ways. These other people define the role expectations for the individual, they determine the payoffs he is to receive for his performance, they influence the decision of the goals to be pursued in the buying decision, and they provide information with which the individual attempts to evaluate risks and come to a decision (Webster & Wind, 1996).

### 2.2.2 Part 2: Industry

*The next part of the framework presents a theory aimed at supporting the understanding of the client's evaluation of the consultant and how this in turn will have an impact of what type of MCS the client should purchase.*

#### *The Usage of Consultants*

In the research called *Success or Failure*, Perner (2008) describes how consultancy projects are evaluated in the client organizations. The author further describes that consultancy project are usually difficult to measure or evaluate, why clients seldom perform any explicit evaluations. However, in her research she concludes that clients perform implicit evaluations, valid as measurements of the consultant's performance. Her research further establishes that these evaluations appears to stay in the organizations for a long time and that they have significant effect on the results of a project as well as on the actors involved in it. She describes that the evaluation process can be seen as a process of meaning creation, where the members of the organizations attempts to interpret and understand what the project has been about and how it should be evaluated. This is a discursive process in which the members of the organization tell each other, and themselves, about the project. These interactions present the project in different ways, which ascribes it a certain "value". This value can be expressed in a qualitative and implicit measurement, such as a feeling of the project being good or bad, disappointing or interesting etc. Thus, even though the evaluation has informal characteristics and are hard to quantify, they will lead to significant effect as they affect how the members experience something and acts in relation to it. The evaluation can become sediment in the organizations,



staying long after the project is finished, shaping the attitude on how a consultant project “should” look like (compare with Hellgren & Löwstedt 1997). Thus, the evaluation affects both the evaluation of the project in relation to it being executed as well as future evaluations, as it provides norms and interpretations of the consultancy projects. Perner (2008) describes how the creation of meaning through the stories among actors can be interpreted as having both normative and formative characteristics. She refers to this evaluation process as the informal evaluation process. What values, and how strongly these values, gets anchored in the organization will be affected by who (position in company) tells the story, their legitimacy in the organization, and how well the story is anchored in the organization’s culture, norms and ideals when regarding consultancy usage. The stories that are close to the organizations ideals and norms tend to have an advantage against stories that does the opposite (Czarniawska-Joerges 1988; Boyce 1995).

Furthermore, Perner’s (2008) research describes how it appears to be certain patterns regarding what type of consultancy service that should be hired and what they are expected to contribute with. Perner (2008) distinguish two logics of usage of consultants, consisting of either resource-oriented or knowledge-oriented usage.

The study highlights that the resource-based logic correlates with the bureaucratic ideals, implying a centralized decision-power in the CEO, a controlling CEO, and an organization with clear borders that manage itself without the need for external help. (Compare with Garsten & Grey 2001) The knowledge-based logic correlates with the post-bureaucratic ideals, implying a more attentive, inclusive and coaching CEO; an organization that is more in osmosis with the surrounding world, and an organization organized to receive external help when needed. One consequence is that the rise of new ideals and norms around the usage of MCS, like described in this research is that what is considered right and legitimate by one actor can be considered “wrong” and not legitimate. The research thus implies that what is considered “good” usage of MCS.

### 2.2.3 Part 3: Situation

#### 2.2.3.1 Knowledge evaluation

*A commonly mentioned topic throughout the case studies, claimed to have an impact on how the need for MCS is constructed, was the evaluation of external and internal knowledge. In order to further investigate the phenomenon and its potential implication on the study’s research question, Menon & Pfeffer’s (2003) and Zack’s (1999) theories regarding knowledge*

*evaluation was applied. The theories complement each other in the process of understanding how internal and external knowledge is valued, as well as to understand the process in how to evaluate knowledge.*

#### *Explaining the preference for outsiders*

In their article *Valuing Internal vs. External Knowledge: Explaining the Preference for Outsiders*, Menon & Pfeffer (2003) compares how managers value knowledge from internal and external sources. The authors find evidence implying that the preference for outsider knowledge is the result of managerial responses to (i) the contrasting status implications of learning from internal versus external competitors, and (ii) the availability or scarcity of knowledge, where internal knowledge is more readily available and hence subject to greater scrutiny, while external knowledge is more scarce, making it appear more special and unique. They also argue that managers often value analysis of consultants, whose claims of expertise and objectivity can dominate the recommendations of internal prophets, even when they both wind up saying the same thing. While managers chase after fads, copy what other companies do, engage in competitive benchmarking, and seek the help of consultants, they often tend to ignore or resist good internal ideas.

#### *Developing a Knowledge Strategy*

In the theory, Zack (1999) claim that business organizations are coming to view knowledge as their most valuable and strategic resource. They are realizing that in order to remain competitive they must explicitly manage their intellectual resources and capabilities. Hence, the need of a knowledge strategy model. Furthermore, Zach (1999) argues that knowledge can be seen as a strategic resource as having unique access to valuable resources is one way to create competitive advantage. However, companies having superior knowledge are able to coordinate and combine their traditional resources and capabilities in new and distinctive ways, providing more value for their customers than can their competitors. Hence, by having superior *intellectual* resources, an organization can understand how to exploit and develop their traditional resources better than competitors, even if some or all of those traditional resources are not unique. Therefore, *knowledge* can be considered the most important strategic resource, and the ability to acquire, integrate, store, share, and apply it the most important capability for building and sustaining competitive advantage. Knowledge itself can be categorized and classified according to whether it is core, advanced or innovative. Core knowledge is that minimum scope and level of knowledge required just to "play the game." Having that level of

knowledge and capability will not assure the long-term competitive viability of a firm, but does present a basic industry knowledge barrier to entry. Advanced knowledge enables a firm to be competitively viable. The firm may generally have the same level scope, or quality of knowledge as its competitors although the specific knowledge content will often vary among competitors, enabling knowledge differentiation. Firms may choose to compete on knowledge head-on in the same strategic position, hoping to know more than a competitor. They instead may choose to compete for that position by differentiating their knowledge. Innovative knowledge is that knowledge that enables a firm to lead its industry and competitors and to significantly differentiate itself from its competitors. Innovative knowledge often enables a firm to change the rules of the game itself.

#### 2.2.3.2 Risk

*Another commonly referred to topic throughout the case studies was the phenomenon of risk. Thus, in order to derive insights regarding risk's implication on the construction of a need, theories of risks included in the purchase of consultancy services will guide the analysis and the understanding of the need construction.*

#### *Problems and Risks in the Purchasing of Consultancy Services*

There are numerous ways of identifying the risk associated with the purchase of professional services. Mitchell (1994) provides an overview of the most common risks connected to the purchase of MCS, categorized into three categories; Financial risk (authority will lose money), time risk (there may be inadequate time to rectify and deficiencies in the work) and psychosocial risk (feeling personal dissatisfaction). Financial risk includes concerns about value for money as well as how much money may be wasted or lost if the product does not perform well (Garner & Garner, 1985). Psychological risk refers to the disappointment in oneself at not making good product choice and to the fit products have with self-image as well as concerns about the negative thoughts of other people if a poor product choice is made (Mitchell, 1994).

Many organizations do not experience a need for professional, legal, business or technical guidance, resulting in their purchasing habit being low. The infrequency of the purchase results in an increase in risk perception because of several reasons: Purchasers will have little or no past experience; Any personnel with experience are likely to have moved organization or at least have moved jobs within the organization; The professional service market is constantly

changing with new consultancies being established and other being taken over or folding; The purchase of consultancy service is almost always a new buy since projects are almost always different in some respects; Although there are purchasing professionals in the organization, organization purchasing departments are not always involved in the purchase of professional services.

The specification of the brief to which the consultant will work on is not the only thing which is client dependent (Mitchell & Lewis, 2003). The client is also responsible for interviewing and selecting the consultant and may attribute an unsatisfactory outcome of his own inadequate choice criteria. The client is also usually responsible for managing the project and working with the consultant in many cases and, therefore, must take some responsibility for unsatisfactory outcome. This increases the overall risk for the individual involved in the decision. Despite the importance of the brief, many purchasers do not give the task the time it requires, even though the brief is a major tool to reduce risk associated with the purchase.

### 3. Methodology

*The following section will describe the thesis' methodological approach. With origin in the selected scientific approach, the research approach is further thematised into preparatory work and the main study. Additionally, the analytical method is presented, as well as the quality of the data is discussed.*

#### 3.1 Research philosophy

The study aims to provide a greater understanding of *how the need to purchase management consultants is constructed*. The position on the nature of reality is that reality is socially constructed, subjective, and may change. Thus, the study is anchored in an ontological belief of constructionism. Furthermore, the focus of the study is to understand the construction of a need by attending to the opinions of social actors within specific contexts. This implies highlighting the subjective meanings and social phenomenon within the investigated contexts. Focus will be drawn to details of situations, the reality behind these details, and subjective meanings and motivating actions. This implies an epistemological belief of interpretivism as well. The authors aim to undertake the research in a value-free way, maintain independent of the data and take an objective stance (Saunders et al., 2009; Guba & Lincoln, 2005; Hallebone & Priest, 2009).

#### 3.2 Research approach

##### 3.2.1 Inductive approach

The study undertakes an inductive approach, which is characterized as moving from the specific to the general (Bryman & Bell, 2011). The approach implies that observations are the starting point in the research, followed by the researcher looking for patterns in the data (Beiske, 2007). The approach implies that there is no framework that initially informs and guides the data collection and the research focus is thus formed after the data was collected (Flick, 2011). Furthermore, Bryman & Bell (2005) argues that theory is the result and outcome of the empirical study when using an inductive approach. Based on previous arguments, as well as lacking existing theory on the chosen subject, an inductive approach is chosen in order to provide new theory as reaching the aim of this study. According to Bryman & Bell (2005), researchers using an inductive approach often need to have an iterative strategy as adding empirical data alongside the process develops, as is needed in the making of this study. The inductive approach is more commonly used in qualitative research, where the absence of a

theory informing the research process can be beneficial by reducing the potential for researcher bias in the data collection stage (Bryman & Bell, 2011). In accordance to this, a qualitative study is performed.

### 3.2.2 Qualitative method

In accordance to the philosophical stand of the study, the qualitative approach is drawn from the constructivist paradigm (Bryman & Allen, 2011). The aim is to investigate how the respondent interprets their own reality (Bryman & Allen, 2011), which implies that researchers avoid imposing their own perception of the meaning of social phenomena upon the respondent (Banister et al., 2011). In order to create a methodology that is framed by the respondents, rather than the researcher's, interviews with open questions is conducted (Feilzer, 2010). Furthermore, the researcher develops the questions throughout the process in order to ensure that the respondent further expands upon the information provided.

### 3.2.3 Exploratory purpose

Thus the study aims to investigate a phenomenon that has not been extensively investigated before, and the situations in which the intervention is being evaluated has no clear, single set of outcomes, an exploratory study is conducted (Yin, 2003). Having an exploratory purpose, this study look into an insufficiently research field by gathering preliminary data, which helps set the direction for future research (Saunders, 2009). The objective is therefore to identify key issues when it comes to what content to include in the need construction when purchasing MCS.

## 3.3 Research strategy

In order to facilitate a deep investigation of a real-life contemporary phenomenon in its natural context, a multiple case study is conducted (Woodside, 2010; Yin, 2013). Multiple case studies are well-suited to capture complex processes and to identify key actors and events in the development (Benbasat et al., 1987, Eisenhardt et al., 2007), which is considered appropriate and adjacent to the purpose of the study. Using a multiple case study enables the researchers to explore similarities and differences between different contexts and thus obtain a more comprehensive understanding of the investigated practices. Thus, the method is considered appropriate as it correlates with the research question, and the contextual focus of the study. Furthermore, a multiple case study is well suited to explore and analyze within settings and across settings and the evidence created from this type of study is considered robust and reliable

(Yin, 2003). This further demonstrate the appropriateness of the study, with regards to the focus on the actors within the investigated organizations.

### 3.3.1 Preparatory work

#### *3.3.1.1 Probing the empirical field and research setting*

The initial efforts consisted of probing the empirical field for client organizations used to purchasing management consultancy services. The Swedish consulting markets belong to the Nordic cluster, which is the third largest business consulting market in Europe, and is often described as mature and well established (FEACO, 2013). Attending to a context in which management consultants are frequently purchased (Werr & Perner, 2007), empirical data from the context was considered a legitimate starting point in where to search for appropriate organizations that could provide valuable insights into how the need for management consultants is constructed.

#### *3.3.1.2 Pilot interview*

Before initiating the gathering of data for the main study, a pilot test was conducted in order to facilitate the experience of future interviewees. The main objective of the test was to ensure the understanding and the clarity of questions, as well as the order of questions to be of strategic order. The chosen person for the pilot test was a business savvy person, with 15 years of experience from being a management consultant, now acting as a department manager responsible for the purchase of management consultants. The experience and knowledge from working as and with management consultants was seen as valuable in giving feedback to our interview guide. Some feedback regarding clarity issues and structure of the questions was made, as well as minor changes in formulation of question for the final version of the interview guide. As the interview had a semi structured character, it was of great importance to have a logic structure of the themes as to guide the interviewee through the themes, collecting as much useable information as possible.

### 3.4 Data collection

Unlike positivist research that uses frequencies and statistical generalization to relate its findings to a larger population, an interpretive case study focuses on analytical generalization to develop and extend theory. Therefore, the selection process should be driven by the research question as it provides the characteristics of the cases to be studied (Scapens, 2004). In order to

achieve this, the focus of the selection process was to distinguish and localize industries consisting of organizations that had been involved in the purchase of MCS. The selection was made by using FEACO's annual report (2013), displaying the service-sector to be the most MC intense. Within the service sector, the two largest "sub sectors" were chosen, namely: financial services and "others" (FEACO, 2013). Choosing two different sectors was to enable comparison and distinguish similarities and differences creating patterns correlating to the research question. Within the financial services sector, the two most management consultancy intense industries were (i) *banking & financial services* and (ii) *insurance*. Within the "others sector", the two most management consultancy intense industries were (i) *retail* and (ii) *travel and leisure*. As initial step, retail companies were contacted. The response rate and willingness to participate in the study were high. Thus, the *retail industry* was chosen to represent the "others sector". As a second step, banking and insurance companies were contacted. The response rate and possibility to participate from banking companies were lower than the insurance industry, thus the *insurance industry* were chosen to represent the financial service sector. As the research progressed, it became apparent that the industries were permeated with a number of different features affecting the construction of a need. In order to distinguish between industry related features and in order to make more thorough evaluation of the construction of a need, a third industry was introduced, namely the media industry, representing the media and telecom sector. The third sector was chosen as it constituted the third most consultant intense sector after financial services and other, media being the most management consultant intense industry within the sector (FEACO, 2013).

The three actors, namely the CEO, the HR-manager, and the purchasing-manager, from respective organization, were contacted. The actors were contacted through phone calls and email in which they were asked if their respective organization used management consultant services and if the respondent himself/herself had any experience working with management consultants at all. In total, 35 companies were contacted, 10 within retail, 10 within banking and finance, 8 within insurance, and seven within media. Interviews were conducted with the three actors in four companies from the retail industry, the insurance industry, and the media industry. One CEO and one HR-manager in the insurance industry, and one purchasing manager within the media industry declined participation in the study in a late stage, elaborated on in the limitations of the study. The probing initiative thereby served as a gateway to sampling for the main study.



As the study aim to investigate the involvement of the purchasing managers in the purchasing of management consultants, the largest companies within each industry was chosen to target as previous research shows that large companies tend to have more developed purchasing departments in regards to purchasing MCS (Van der Valk & Rozemeijer, F 2009). Thus, the 50 largest companies within the retail-, insurance-, and media industry was targeted. Gaining approval from the targeted firms to join as participants in a case study research appeared to be one of the most challenging tasks in this research. Out of the companies targeted, 34 semi structured in-person and phone interviews were conducted.

### 3.4.1 Main study

#### 3.4.1.1 *Sampling and sample*

According to Halvorsen (1992), the population consists of those factors that the study aims to investigate. Smith (1981) refers to making a strategic sample within a qualitative study in order to collect knowledge from the most relevant and knowledgeable actors within the chosen subject. Having previous research of which actors within organizations that are involved in the purchase of management consultants, and/or make the decision to hire them, the sample was strategically conducted by contacting the most suitable actors in each organization in relation to the study's research question. Data collection and the sampling process largely consist of two stages, namely establishing the setting of the research conducted and the choice of respondents (Bryman & Bell, 2011). The probing of the empirical field provided a solid group of three industries: retail; insurance; and media, containing 12 organizations, with three actors within each organization (except for one CEO and one HR-manager in the insurance industry, and one purchasing manager within the media industry that declined participation in the study): CEO; HR-managers; and purchasing managers.

#### 3.4.1.2 *Survey design*

In-depth interviews were conducted with micro level actors (i.e managers, HR managers and purchasing managers). The use of an in-depth qualitative interview is considered as the appropriate format for case study research because in-depth questions cannot be answered briefly. It is anticipated that the researcher would need to ask for examples or more explanation on the answer given in order to gain a deep understanding of the issues (Saunders, Lewis & Thornhill, 2009). The interviews were conducted in accordance to a responsive interviewing techniques, concentrating on obtaining a deep understanding (Rubin & Rubin, 2005). The

interview questions were structured to include open-ended main questions, follow-up questions and probes. The main questions were carefully developed based on the research problem and the research questions in such a way that there are separate interview questions for each part. Relevant articles, webpage publications, and industrial research were explored to gather ideas about relevant practices to be included in the interview questions. Follow-up questions were developed to explore the particular themes, concepts, ideas. The focus was drawn to the informant's narratives to uncover their view on purchasing, themselves as individuals and their view of the other actors involved. The in-depth interviews were conducted semi structured in order to grasp the essence of the narrative, as well as to enable comparison and analysis between the interviewees narratives. The interviews lasted from 45-90 minutes, each following an interview protocol and were to be recorded and transcribed. The protocol was to be constructed and organized around the themes related to the research question/s. Using themes rather than a strict list of interview questions allows flexibility for the interviews as well as it allows revision to the protocol as the research progress (Gioia, 2013).

#### *3.4.1.3 The interview guide*

For the interviews, a semi-structured interview guide was used (attached in the appendix), which according to Bryman & Bell (2005) is a list of the issues that will be brought up during the interview. They stress that flexibility is important during the interview and that it is acceptable to change the order of the questions during the interview if it feels more appropriate and natural in the specific context. In accordance to Bryman & Bell (2005) the questions were formulated in a way that could potentially facilitate for the researchers to answer the aim of the study. Furthermore, the questions were formulated to avoid leading the respondent. Attention was paid to the background information of the respondent, such and position in the organization (Bryman & Bell, 2005), in order to contextualize the answers, which was of high importance in relation to the purpose of the study. As suggested by Kvale & Brinkmann (2009), the interviews were framed by a briefing before the interview commenced, and a debriefing afterwards. The brief information text about the research were provided before the interview. The interviewer's interviewers briefly explained the aim of the interview and emphasized the confidentiality, anonymity and the voluntary nature of the study. With the participant's permission, each interview was recorded and the authors took notes simultaneously with the interview.

### 3.5 Data Analysis

#### 3.5.1 Analytical method

Data analysis involves the drawing of inferences from raw data. In order to manage the raw data so that it could be analyzed, two initiating steps were conducted: transcribing audio sources, and cleaning the data (Boeije, 2010). In the transcribing process of the interviews, the authors removed linguistic details, such as laughter as to concentrate more on content and less on actual expressions is termed denaturalized transcription (Oliver, Serovich & Mason 2005). The transcription process was also important to become familiar with the content of the interviews (Miles & Huberman 1994; Kvale & Brinkmann 2009). The next analysis probing, the authors leaned the data. Considering the ethics concerns about anonymity and confidentiality, all information that can identify both the practitioners and the case organizations that they represent was omitted. Instead, the data will be identified by a specific coding, e.g. Industry, Position, Quote (retail, CEO, q1), to the information provided by a CEO within the retail industry. The identifiable information is intended to be used for data analysis only, to enable a comparison of the findings between firms using the constant comparative analysis method.

In a more general sense, in a qualitative analysis of data, Christensen et al. (2010) argues that it is the big picture that is to be in focus. They believe that the meaning and aim in a specific context is what is of paramount importance and that one needs to take into consideration that words have different meanings for different people in different contexts. Christensen et al. (2010) claim that the qualitative analysis method is a process and that data collection and analysis are parallel processes which means that the analysis of the interviews were done before all the interviews were completed and that it is impossible to separate the data collection from the analysis, hence it is usually the investigator who will then analyze the material.

#### 3.5.2 Data analysis process

When analyzing the data, a qualitative approach was considered, as it is well suited for theory development (Gioia et al., 2013). The first step of the data analysis was to get a contextual understanding for the differences and similarities between the different cases, i.e. the different industries and the different actors within the industries. To achieve this, the transcripts of the cases were read, and re-read multiple times. The review of data enabled production of separate narratives of how the construction of a need is constructed within the different industries

(compare Gioia et al., 2013). These narratives are presented in the beginning of each industrial chapter in the result-section. The data from the cases was analyzed in four iterative steps in which the data and the formed categories; themes and dimensions were continuously compared with theory (Gioia et al., 2013). To increase rigor, the analyses were first performed separately and individually by the authors, and then collectively to condense the individual analyses into one more reflected analysis.

The first step of the analysis was an attempt to provide an overview of the high amount of data collected. As mentioned above, the transcripts of the case interviews were read and re-read multiple times and the initial findings from the readings were summarized in an Excel-sheet. The summaries included all interview material categorized by similar questions and answers by actors within respective industry.

In the second step, the interview material was coded into more rigid first order themes (Gioia et al. 2013). The overall focus of the themes were factors that can have an impact on the construction of a need, divided by industry and actors within the industry. The coding resulted in a broad set of first order themes, closely adhering to respondent's terms, such as "attitude towards management consultant", "frequency of using management consultants in company", "experience in working with management consultants", "previous work experiences" etc. (Gioia et al. 2013). The two initial steps in the analysis resulted in the identification of patterns permeating all cases, both industries and actors, explaining of how the need for management consultants is constructed.

The third step was conducted in order to understand the underlying reasons and factors to why these pattern had emerged. In this phase, theory was introduced as to further comprehend the patterns. Thus, the authors switched back and forth from theory and data to identify higher level, second order research-centric second order themes (Gioia et al. 2013). After identifying a number of second order themes, the themes were sorted into aggregated dimensions in order to capture the main building blocks to how the need for management consultants is constructed. When theoretical saturation was reached in accordance to Gioia et al. (2013), five dimensions were developed: *origin of a need*; *decision participation*; *personal influences*, *risks* and *knowledge evaluation*. The fourth step of the analysis comprised the development of data structures to highlight the analytical process of moving from data to aggregated dimension. The produced data structure was utilized to theorize about the links and the relationships between

the identifies themes and the aggregated dimensions (Gioia et al. 2013). The analytical process enabled us to identify how the need to purchase MC is constructed.

### 3.6 Research quality

In order to ensure rigor of the study the study have been executed within traditional rigorous shaping measurements. The study's credibility, that deals with the accuracy of the data to reflect the observed phenomenon, thus whether the study actually measures or tests what is intended. In order to enhance credibility, the authors conducted a carefully selection of case organizations and industries, as a practical toward credibility. Furthermore, in the subsequent meetings with the practitioners throughout the study, and thus the interim results from the previous interview can be discussed as a method of respondent validation (Bryman, 2012). During the analysis process, the authors analyses first individually, and then together, in order to get the most elaborate and correct analysis. During the interviews, the authors took turn in being the one interacting with the interviewee and observing, then they discussed their different outlooks and impression of the interviews in order to identify other perspectives on projects which may have been overlooked by the other author.

#### 3.6.1 Transferability

Transferability refers to the level of applicability into other settings or situations. As suggested by Lincoln & Guba (1985), a rich and thick explanation of research sites and characteristics of case organizations should be provided to enhance transferability. As the data cannot be reproduced, the authors chose a research design that provide the study with potential to be applicable to other contexts, in order to increase rigor. With some careful adjustments in the setting, such research findings that are drawn from rich descriptions on the current state of play of observed practices have the possibility of being transferred into a different study of other industries within or across jurisdictions.

#### 3.6.2 Dependability

Another measure taken in order to increase rigor is to highlight the studies dependability. Dependability corresponds to the notion of reliability which promotes replicability or repeatability. As to increase dependability the authors have provided a detailed explanation of the research design and suggested a process to enable future researchers to follow a similar research framework, as well as a detailed and step by-step explanation of the research processes

undertaken, as well as providing the main instruments used to gather empirical data, e.g. the list of interview questions.

### 3.6.3 Conformability

The final mean as to increase rigor is the author's attempt to increase conformability. This refers to the extent to which others can confirm the findings in order to ensure that the results reflect the understandings and experiences from observed participants, rather than the researcher's own preferences. Lincoln and Guba (1985, p.317) suggest using an 'inquiry audit' to enhance conformability. Documentation on data and progress of research was made by the authors, in the form of research memos and interim summaries as parts of the research working book. This research record serves to provide an audit trail which enables an examination of both the research process and research outputs by tracing out the step-by-step the course of the research.

## 4. Results

*The results from the multiple case studies are presented below, one industry at a time, divided by the three actors, based on the dimensions; origin of the need, decision participation, personal influence, perceived risk, knowledge evaluation. Furthermore, an industry analysis is presented as to compare the results from the different industries; retail, insurance and media. In addition to the results presented below, quotes from the study are to be found in the appendix (q=quote followed by number) as to guide the reader throughout the results.*

### 4.1 Results from Case Study 1: The Retail Industry

#### 4.1.1 Summary of the findings

Generally described within the retail industry, the need for MCS is constrained by the fact that the industry is very cost conscious. Thus, MC are used very restrictively. Also, the studied actors claim to know their own business best and that they do not need help with coming up with the *what*, they use MCS to better understand *how* to do something better. Altogether, the actors describe the need for management consultants to originate in reasons as to better understand *how* to reach an already established goal in the best possible way. The CEOs is usually the ones involved in the purchase and makes the final decision. Other actors can take initiative but this is seldom the case. Furthermore, actors within the retail industry consider the risk associated with the purchase of MCS to be high. The foremost apparent risk described by the studied actors is the risk of high costs. Other significant risks described are being perceived as a failure, being mislead by the MC's rhetoric, employee reactions, and losing control, not engaging in proper follow-up, the unions' involvement making it hard to purchase MCS, starting to trust the MC more than oneself, misuse of MCS, and not being able to define the problem. As indicated, the studied actors value internal knowledge high. The industry only considers purchasing external knowledge regarding under exceptionally circumstances.

|                        | CEO  | HR-manager  | Purchasing-manager  | Industry   |
|------------------------|--|---|---|--|
| Origin of a need       | Specific knowledge, discuss ideas, help with the <i>how</i> , reach goal, value for end-customer | Specific & temporary knowledge, efficiency-support, cost-savings, experience, time, outside perspective | Temporary capacity, develop organization, time, guide ones thoughts, help with the <i>how</i> , man-power | Low usage, want help with the <i>how</i> , <i>cost-conscious</i> |
| Decision participation | Always involved, initiator, decider  | Seldom involved, <i>can</i> initiate but usually do not, not part of the decision                       | Seldom/never involved, <i>can</i> take initiative but usually do not, people                              | CEO usually the only one involved                                |

|                      |  |   |  |   |
|----------------------|--|---|--|---|
|                      |  |   | <i>demonstrate</i> initiative, not part of the decision  |   |
| Personal influence   | Worked in industry <15 years, fragmented resumes, worked with/as mgmt. c., large network which they utilize, attitude is varied: good but sometimes overrated, expensive and creators of risk, need clear picture to hire, | Worked in industry >10 years, fragmented resumes, exclusively worked with HR, worked with/as MC positive attitude under conditions, | Worked in industry <5 years, fragmented resumes, worked in different fields, worked with/as MC minority involved in purchase, skeptical attitude, orgs. Attitude good if strong incitement | Fragmented resumes, extensive experience,   |
| Risk                 | Cost, being perceived as a failure, the MC rhetoric, employee reactions, dissatisfying results, control, losing responsibility   | No proper follow-up, trusting MC too much, unions, loss of competitive advantage, losing responsibility                             | Trusting MC. too much, perceived as failure, cost, misuse, losing responsibility   | High risk in terms of cost and psychosocial |
| Knowledge evaluation | Value internal knowledge high, knowing their own business best, highly restrictive with external   | Value internal knowledge high, knowing their own business best,   | Value internal knowledge high  | Values internal knowledge high              |

*Table 1: Results from Case Study 1 The Retail Industry*

#### 4.1.2 Origin of the need

**CEO:** The CEOs describes that they know their business best and that they foremost use the management consultants as a helpful tool to find out *how* to something, or as a tool to reach the goal (q1). They also describe that they can use them for help with specific strategic issues related to their business, or as to discuss ideas with someone. The CEOs also describes time to be one of the most influential factors when deciding to purchase MCS. If the desired knowledge is urgent, or only needed temporary, the benefits of purchasing MCS trumps the perceived risk and the high cost (q2). They also describe the need for MCS as deriving from a need for more manpower (q3). The CEO's also highlight that they only engage in projects that brings value to the end-customer (q4).

**HR-manager:** HR-managers describes the motives for purchasing MCS as efficiency support or support in how to make cost-savings (q5). They also describe the motive for temporary knowledge for a specific cause. They highlight that projects should be time-limited (q6). They further describe that retail is a highly cost-conscious industry and that this affects them to be careful to purchase MCS (q7). The HR-managers also mention time to be one of the most influential factors when purchasing MCS. If the desired knowledge is urgent, or only needed temporary, the benefits of purchasing MCS trumps the perceived risk and the high cost.



**Purchasing-manager:** The purchasing-managers describes the motives for hiring MC as temporary capacity to help develop the organization (q8). They describe that they usually have the answers to problems themselves but that MC are talented in structuring problems and guide one's thoughts. Purchasing managers also mention time to be on of the most influential factors when purchasing MCS. If the knowledge is needed in an urgent matter, or that the knowledge is needed temporary, the perceived risk and the high cost is worth purchasing MCS.

#### 4.1.3 Decision participation

**CEO:** It is usually only the CEOs who are involved in the purchase of MCS. They handle the whole process from the initial phase of detecting a need, initiating the purchase as well as making the final decision. They always want to be a part of the final decision as it is a costly purchase and because they consider themselves being the best at handling the interaction with the MC(q9). The CEOs also mention that in relation to this, they do not include the purchase of MCS in the actors' budgets (q10). The CEOs describes that everyone *can* take initiative, but that this seldom is the case, with the exception is of the occasional involvement of the HR-manager or an initiating department-manager.

**HR-manager:** HR-managers describe that everyone *can* take initiative but that it is very seldom that HR is involved in the purchase of MCS. If they are involved, is usually regarding recruitment matters (q11). They mention that if they take initiative, they always bring it up with the CEO. The majority of the HR-managers also mention that they don't think that the company is using MCS to a high extent. The HR-managers also mention that union play a big part in their decision to purchase MCS. They describe that sometimes when the organization want to purchase MCS, the union objects to it, which limits the employee's willingness to take initiative to purchase (q12).

**Purchasing-manager:** Purchasing managers mention that they are not a big part of the purchase. The only purchasing manager who states that he is somewhat involved mention that he receives a need verification that he then handles in the best possible way. He does this by maintaining the contact with the suppliers to make sure they can fulfil the organization's need. Furthermore, the purchasing managers describes that everyone *can* take initiative but that people seldom do (q13). However, they mention people in the organization indirectly take

initiative by *demonstrating* a need, which in turn gets picked up by management-team or group-leaders. They also mention that it is always the CEO making the final decision.

#### 4.1.4 Personal influence

**CEO:** The CEOs have worked within the retail industry for more than 15 years, and thus have an extensive background in the industry (q14). All the CEOs have highly fragmented resumes as they have worked in a number of industries and positions. They have experience in working with, or as, MC themselves (q15). They mention that as a result, they have many personal connections and valuable networks in the industry. They claim to utilize experience and network when purchasing MCS (q14). Their attitude towards management consultants to be varied as they refer to MC as very talented, but also as overrated, expensive and creators of a lot of risk. The majority of the CEOs mention that they think MCs are good if you have a clear picture of where you want to be. It involves very specific circumstances for CEOs to purchase MCS, as retail is such a highly cost-conscious industry.

**HR-managers:** The majority of the HR-managers have worked within the retail industry less than 10 years. The HR managers have highly fragmented resumes from working in several different industries. The majority of the HR-managers have exclusively worked with HR their whole careers (q16). Some also have experience in working with MC (q17). They mention their personal attitude as positive towards MC with the prerequisite that the projects are time-limited and that the MC is there to solve a specific problem. Their thoughts about the organization's attitude towards management consultants is neither negative or positive, rather neutral (q18).

**Purchasing-department:** The purchasing-managers have worked within the retail industry for more than five years. They have fragmented resumes from working in several different industries and they have worked with different fields in addition to purchasing (q19). Furthermore, some have experience in working with, or as, MC. A minority of the purchasing-managers have been involved in the purchasing process of purchasing MCS. Their personal attitude towards MC is skeptical (q20). However, their thoughts about the organization's attitude towards MC is that it's good if there's a strong incitement and when someone external comes in a challenges the company.

#### 4.1.5 Perceived risk

**CEO:** The CEO's consider cost to be a major risk when purchasing MCS since it is an expensive service to purchase, indicating the consequences of failure is critical for the organization and the small margins related to their business (q21). The CEO's also highlights the risk of being perceived as a failure when purchasing MCS, as management should have competence and knowledge themselves (q22). In relation to this, the CEOs see it as a risk that the MC present well-formulated and motivated solutions which creates the illusions that that solution is the only truth, which is hard to say no to. As an effect of this, you as a manager become irresponsible. Furthermore, the CEOs mention the risks related to the employee's reactions. In relation to this, they highlight that as the retail industry always strive to cut costs, the service that constitute management consulting is not compatible with the retail industry, causing negative reactions if used frequently. The CEOs also see it as a risk that the management consultants simply provide them with a model without impact (q23). The CEOs see losing control as a major risk and they mention that it is important that one is prepared when MCS.

**HR-managers:** The HR-managers experience a high risk with purchasing MC. The risk they describe concerns the risk of the organization not engaging in proper follow-up, risking that the external knowledge leaves with the consultant without being anchored in the organization (q24). They also highlight the characteristics of the industry, for example that the union are against the purchase and usage of MCS, why dealing with the union in relation the purchase becomes an obstacle. This is by some actors, considered to be a future risk, that the unions affect the industry in a negative way in making it harder for organizations to purchase external knowledge (q25). They also mention the high costs as being a risk.

**Purchasing-managers:** The purchasing managers describes that it is a risk that the organization starts to trust the MC more than itself (q26). They also mention a risk in being perceived as a failure in that you cannot manage your job. They also mention a risk that the organization lack in defining the desired effects in the project description. In relation to this, they see cost as a risk if the management consultants only deliver a product that is not implemented. They also mention that there's a risk of "misuse" of management consultants in that they are hired to make unpopular decisions, like firing someone for example (q27).

#### 4.1.6 Knowledge evaluation

**CEO:** The CEOs value internal knowledge high. They return to the fact that they know their business and customers best and that they have to have the core competence internally. When describing their evaluation of internal versus external knowledge, they mention that they only consider purchasing external help regarding their core business under very special circumstances. However, they see external knowledge as important in gaining new perspectives (q28).

**HR-manager:** The HR-managers value internal knowledge high. They describe that this as a prominent reason to why retail do not purchase MCS to a high extent and they have to maintain their core business internally. As it is a sensitive matter to purchase external knowledge instead of developing knowledge internally, they describe that they are very thorough when overseeing internal resources before purchasing external knowledge. In relation to this sensitivity, there are seldom negative reactions from the organizations as the thorough evaluation process is a commonly known fact (q29).

**Purchasing-managers:** Purchasing managers value internal knowledge high. They describe that external knowledge can give that extra kick and provide a valuable outside perspective. However, they describe that they always still prefer internal knowledge (q30).

## 4.2 Results from Case Study 2: The Insurance Industry

### 4.2.1 Summary of the findings

The usage of management consultancy services is frequent and the motives are highly diverse. The most apparent reason for the high usage of MCS is the ever-changing regulation-vegetation permeating the industry. There is a common view that organizations need to be quick, adaptable and flexible in order to respond to the environmental changes. The CEOs also describes that a majority of the MC constitute activities that the CEOs could do to themselves but that they use MC in order to prioritize other things and delegate time differently. Decision participation is high within the insurance industry and all actors have a distinguished role within the purchase and can take initiative. A distinguishing feature in the industry is that the purchasing managers always are highly involved in the purchase of MCS. Even though they use MCS to a high extent, all studied actors tends to have a skeptical attitude towards MC. Careful, picky, cautious, restrictive and alert are words being used to describe their attitude towards MC. They describe

their skepticism deriving from an outlook of the management consultants as striving to gain more status and that MCs have a tendency to ignore the organization's wants and needs and focus on implementing a specific model. Actors, independent of organization and position, claims that they are positive towards them *if* it is under special circumstances, that often includes a clear aim and set frames. They also mention the importance of the consultants and the organizations cultures and values to match. The overall perceived risk is considered low. The industry values internal knowledge high, yet the benefits of having temporary, external knowledge is both valued and considered important.

|                        | CEO  | HR-manager  | Purchasing-manager   | Industry   |
|------------------------|--|---|--|--|
| Origin of a need       | Lead change, strategy, competence, expertise, habit, benchmark, external perspective, prioritizing, time | Well-defined knowledge, lead change, efficiency, legitimizing, evaluate, laws and regulations   | Expert knowledge, structure, benchmark, legitimizing, law and regulations                                | High usage, law & regulations driving the usage,                   |
| Decision participation | Involved, initiator, decider   | Involved, can initiate, can decide, overseeing the process  | Involved, can initiate, not involved in the decision, control function                                   | High involvement by all studied actors                             |
| Personal influence     | Worked in industry <15 years, fragmented resumes, worked with/as mgmt. c., skeptical attitude            | Worked in industry >10 years, fragmented resumes, worked with/as MC., skeptical, cautious, necessary sometimes, cultural match is important | Worked in industry <5 years, fragmented resumes, worked in different fields, worked with/as MC skeptical | Fragmented resumes, extensive experience,                          |
| Risk                   | Medium, becoming addicted  | MC do not match org,  | Hiring the right person, standardized models   | Overall low risk, but scared of becoming addicted                  |
| Knowledge evaluation   | Value internal knowledge high, see value in external knowledge focus on co-existence                     | Value internal knowledge high, focus on internalizing knowledge, mindful of anxiety   | Value internal knowledge high,   | Values internal knowledge high but see value in external knowledge |

*Table 2: Results Case Study 2: The Insurance Industry*

#### 4.2.2 Origin of the need

**CEO:** The CEO's describes that the insurance industry are frequent users of management consultants and that it is common that the MCs contact the organizations and not the other way around (q1). The CEO's within the insurance industry describes the motives to hire management consultants as help to lead organizational change, work with the strategy, fill a gap of competence, gain insights, gain expert knowledge, gain experience, benchmark, get education, gaining the external perspective and an objective view as well as to support the

management and spread knowledge in the organization. The CEOs also describes that a majority of the MC contributions constitute activities that the CEOs could do themselves but that they use MC in order to prioritize other things and delegate time differently (q2).

**HR manager:** The HR-managers within insurance describes the motives for hiring management consultants as gaining temporary and well-defined knowledge, help with organizational change, making something more efficient, and to support evaluation of something. They describe that they usually know what they need to do but that the consultant contributes by providing a structured approach to a task and a legitimization factor by their mere presence (q3).

**Purchasing manager:** The purchasing managers describe the motives for hiring MC as to gain expert knowledge, a structured approach to problem solving, benchmarking abilities gained, legitimization, and help with a specific problem. They further describe that insurance industry uses management consultant because of the high number of law- and regulation projects they have to deal with (q4).

#### 4.2.3 Decision participation

**CEO:** The CEO's describe that it would be unsustainable if all initiatives and decisions regarding MC went through them (q5). Thus, the involvement in the purchase is delegated throughout the organization. Everyone can take initiative and make decisions. However, they have some set requisites for what others should think about when making decisions, such as preferences for specific firms, if the suggested firm has a union-agreement etc.

**HR manager:** The HR-department is always involved with the purchase, yet to what extent varies depending on organization. Thus, their role is varied and consists of writing deals and agreements, being responsible for follow-ups, deciding what firm to hire and making sure that the hired firm correlates with the culture and the firm as a whole etc. The HR-manager describes that the final decision is made by either the manager taking initiative to a project, if the cost of the management consultancy service is within the current budget. If the cost is too high, the decision is up to the CEO (q6).

**Purchasing manager:** The purchasing managers are always involved in the purchase of MCS in the insurance industry. Their exact role in the purchase varies from handling the whole process,

to only suggesting suppliers, negotiating deals, controlling agreements, or providing input to the final deal (q7). They describe that they are supposed to be involved in the purchase, foremost to control and overlook the process. However, they describe that their involvement sometimes get overlooked and that the involvement varies on arbitrary reasons, such as time-pressure, managers not finding purchasing departments involvement necessary etc (q8). Furthermore, the purchasing department is not involved in the actual decision of hiring a consultant or not, they purely advice, but they are getting more and more involved in the process in terms of controlling agreements and making sure the process is in place. They also mention that all purchases of general consultants should go through the purchasing department, but that it's not as common for MCs as it is such a specific competence that is being requested (q9). They mention that they wish to be more involved as they are experts when it comes to negotiating and making good deals. They also describe that they could help extract more value from the purchase of management consultant in making the purchasing process more formalized. Foremost by encouraging the buyer to evaluate more suppliers on more diverse grounds than they currently do (q10). However, they do see barriers in making the process more formalized as a part of the formalization would imply measurement of used suppliers' firms and thus an increased usage of the best one, counteract the initial statement that buyers should consider more suppliers than base their decisions on relations. They also describe that the buyers of MC have a tendency to think that its easy to purchase consultants (q11).

#### 4.2.4 Personal Influence

**CEO:** The majority of the CEOs have worked within the insurance industry, in a variety of firms, for more than 15 years and thus have an extensive background in the industry (q12). They describe that they are skeptical towards management consultants and use words as picky, or at its best neutral when describing their attitude. They describe their skepticism deriving from an outlook of the management consultants as striving to gain more status (q13). They mention that they can see the value of purchasing management consultancy services under certain conditions, namely when the management consultants provide them with clear boundaries, a clear goal, and a clear start and finish. Even though they have a skeptical attitude, they all mention that they use management consultancy services to a large extent as it is best practice within the industry.

**HR-manager:** The HR-managers have highly fragmented resumes as the majority of them have worked in a number of industries and in different roles before (q14). The majority of the HR-

managers have experience in working with, or as, management consultants. The HR-managers believe the organization's attitude to be skeptical as the MCs have a tendency to ignore the organization's wants and needs and focus on implementing a specific model to any case. They also describe this skepticism deriving from the fact that if you use different MC, the different MC-firm's philosophies might not match. They also mention the importance of the consultants and the organizations cultures and values to match (q15). The HR-manager's personal attitude towards MCS correlates with their thought about the organization's attitude.

**Purchasing-manager:** They have fragmented resumes as they have worked in a numbers of different industries. The majority of the purchasing managers have worked with different fields in addition to purchasing. The majority of the purchasing managers have experience in working with, or as, MC (q16). The purchasing managers' personal attitude towards management consultants, and their thoughts of the organization's attitude collide and they describe it as skeptical. This because management consultants do not manage to provide an actual impact as they stop before implementation (q17).

#### 4.2.5 Perceived risk

**CEO:** The CEOs consider the most apparent risk to be that management consultants never leave, and they stick to the organization. In relation to this, they mention a high risk of becoming addicted to management consultants. All actors mention this risk and that it is a strategic act made by the management consultants, why having control over the process and knowing when to end a project is crucial (q18).

**HR-manager:** The HR managers see it as a risk that the management consultants do not match with the organization's culture and values. They mention that if this match is not in place, people will not take part of the management consultants initiative, making the purchase a failure. In relation to this, they see it as a risk that the employees are not prepared for the management consultants which can cause anxiety within the organization (q19). They mention personal risks if they themselves would hire management consultants as the consultant thus will represent oneself.

**Purchasing manager:** The purchasing-managers foremost see risk in terms of hiring the right person for the job and not only base the decision on relationships. The purchasing managers also describes that management consultants sometimes tries to fit a problem into a model they



have created, independent of the project. There is a common view from the purchasing managers that applying models never work, that it is only expensive without lasting effect on the organization (q20).

#### 4.2.6 Knowledge evaluation

**CEO:** The CEOs value internal knowledge (q21). As they still use MCS to a high extent, they work hard to internalize the external knowledge and making sure that the MCS benefit the employees. They mention that it's important to become a learning organization and to learn how to co-exist with the management consultants (q22). In relation to this they mention the importance of being adaptable.

**HR-manager:** HR-managers describes that the organizations value internal knowledge high and they want the organizations to do most things themselves as they know that the knowledge from MC have a tendency to not stick, even though they work hard to consolidate the external knowledge (q23). They also mention that even though they value internal knowledge high, they have had an increased intake of management consultants the last couple of years as they do not have competence about everything. They work hard to mitigate the anxiety in relation to the purchasing of MCS.

**Purchasing-manager:** The purchasing-managers describes that the organizations value internal knowledge high and that this is something permeating their culture. They mention that they look to their own when in need and that it is of high importance to offer a variety of career paths (q24). However, they mention that as people are very busy with their own work, the organization tend to hire a lot of management consultants.

### 4.3 Results from Case Study 3: The Media Industry

#### 4.3.1 Summary of the findings

The media industry has been going through dramatic changes the last 20 years as digitalization affect their core business to a high extent. All actors within the media industry have a coherent view that the changes within the environment, brings out new challenges and opportunities. The usage of MCS within the industry fluctuates in frequency over time as a result of the changing environment they operate within. They continuously mention industries phases being the most crucial factor to what triggers a need for management consultants. All studied actors within the

media industry highlights the risk of becoming addicted to management consultants. It is mostly the CEOs and HR-managers that are involved in the purchasing process of MCS. If the cost of purchasing MCS is within the budget of the initiator, that person can make the decision, is related to person initiating the purchase, otherwise the CEO has ultimate decision power. They also mention that they think it can be inspiring to work with MC as they are smart and talented individuals. Generally, actors within the media industry consider the risk associated with the purchase of MC services to be medium to high. All the studied actors consider the internal knowledge to be of highest value as it is the core of the organization where the customer value should be created.

|                        | CEO  | HR-manager   | Purchasing-manager   | Industry   |
|------------------------|--|--|--|--|
| Origin of a need       | Changes in environment, problem solving, structure, network, databases, temporary competence, finding problems, legitimacy, seconds opinion  | Changes in environment, Competence, specific knowledge, time, support for understanding  | Changes in environment, Competence, time, support for understanding    | Medium usage of MCS, changes in environment driving the usage                  |
| Decision participation | Always involved, initiator, decider,   | Often involved, initiator, decider   | Seldom involved  | CEO and HR involved in purchase and decision                                   |
| Personal influence     | Worked in industry <15 years, fragmented resumes, worked with/as mgmt. c., large network which they utilize, attitude varies with the individual mc, good when used the "right" way, inspiring | Worked in industry <10 years, fragmented resumes, exclusively worked with HR, worked with MC, positive if implementation is good | Worked in the industry their whole careers, both positive and negative | Fragmented resumes, extensive experience,                                      |
| Risk                   | Becoming passive, addiction, specification of goal, reactions, cost  | Losing internal processes, anchoring and transferring knowledge  | Specification of goal, reactions, cost, confidentiality, loyalty       | High/medium risk, scared of becoming passive and addicted, anchoring knowledge |
| Knowledge evaluation   | Value internal knowledge high, see value in external knowledge, important to anchoring knowledge   | Value both, anchoring knowledge, HR important role   | Value both,  | Value both   |

*Table 3: Results Case Study 3 The Media Industry*

#### 4.3.2 Origin of the need

**CEO:** The CEO's describes that the media industry uses management consultants a lot, mostly because of the digitalization and technology innovation affecting their business in a considerable way (q1). Thus, they describe their motives as relating to *understanding* the changes permeating the industry. More specifically, they describe the motives as being a source of problem solving skills, a structured methodology, large network, databases, temporary competence, mapping out problem and cost driving areas. Furthermore, the CEOs describes the motive of legitimacy and the value of a second opinion (q2). They also mention changes in strategy as it has happened a lot in the industry (q3).

**HR managers:** HR-managers describes the motives for hiring management consultant as a lack of competence, the need for specific knowledge within a limited area where the start-up would be too long to establish internally, and time pressure. They further describe their motives for hiring management consultants as connected to the digital- and technological changes that permeating the media industry (q4).

**Purchasing managers:** Purchasing managers claim that the main motives to hiring management consultants are lack of time, competence or resources. They especially mention a needed support as to understand the digitalization and technology innovation as they are so dependent on the markets development (q5).

#### 4.3.3 Decision participation

**CEO:** It is described that the CEO and the HR-manager are the ones involved with the purchase of MCS (q6). The CEO is usually involved in the decision but it is not seen as an absolute necessity and the person initiating the purchase can make the decision. Most CEOs see the decision as something discussed and constructed together with the management team or involved parties. Furthermore, the CEOs share the opinion that the purchase of management consultants is a relational (q7).

**HR manager:** The HR-managers are involved in the purchase due to the categorization of the purchase to fall within the human capital range. The HR-managers have clear functions in conducting frames for the agreements with MC, making internal inventory over the internal knowledge, and acting as a support-function for the MC (q8). The HR-managers describe that the unions are involved in determining if the organization in question should purchase

consultancy services or not, as the industry needs to follow regulations from the unions when hiring or recruiting personnel. Thus, the unions need to be informed why the knowledge is being purchased and whether the knowledge already exists internally. These dialogues are considered positive by the HR-managers (q9).

**Purchasing manager:** The purchasing managers are usually not involved in the purchase of management consultants and there's no formalized process conducted in relation to the purchase. They mention that the main reason why they are not involved in the purchase is because the nature of the purchase is so scattered and hard to specify (q10).

#### 4.3.4 Personal Influence

**CEO:** The CEOs have worked within the industry, in a variety of firms, for more than 15 years and thus have an extensive background in the industry (q11). They have experience in working with, or as, MC. The CEOs describe that their attitude towards MC is related to the individual MC and they describe that if they find the right people they are positive (q12). They also mention that they think MCs are good if they are used in the "right way" (q13). They mention that it can be inspiring to work with management consultant as they are smart and talented individuals (q14).

**HR-manager:** The HR-managers have worked within the industry, in a variety of firms, for more than 10 years and thus have extensive experience in the industry. The majority of the HR-managers have experience in working with management consultants (q15). They HR-managers describe their attitude towards management consultants as positive if the implementation is conducted in the right way. They describe that the implementation phase of a project is critical for a success, and that the organization itself often fail to integrate the MCs efforts. Thus, they describe that the outcome of a project is partly up to the organization itself (q16).

**Purchasing-managers:** Previous experience from the media industry varies among the purchasing managers. The majority of the purchasing managers have worked with procurement throughout their careers (q17). The majority of the purchasing departments have experience working with, or as, management consultants. The purchasing managers describe that they can see both positive and negative sides of purchasing MCS, with an inclination towards the positive. If they are used for the right reasons and in the right way, it can be contributing with value as you gain knowledge quickly. Thus, they all highlight the responsibility of the buyer to

make sure that delivery becomes anchored in the organization and that the goal is specified. Also, they highlight the value of speed as one of the top-reasons for purchasing management consultants. If all this is in place, they have a positive attitude, otherwise they consider it to be a waste of money.

#### 4.3.5 Risk

**CEO:** The CEOs describe that a risk with purchasing MCS is to become passive and start to think that someone else can solve your problems (q18). They also describe the risk of the MCs knowledge not becoming internalized in the organization, implying major costs for nothing. They also mention a risk in people becoming “MC-tired” as they have to put a lot of effort in engaging in the MCs project instead of their original assignments. They describe that it is very important that the management handle the integration of the MCs thoroughly in order to mitigate the risks. They also describe that there is a risk of purchasing MCS without having a clear and defined goal with set limits of the project as you can end up hiring a MC who does the wrong things, implying large costs for the organization.

**HR-manager:** The HR-managers describe a risk as outsourcing to much as it can kill important internal processes (q19). Also they describe that it is important to anchor the external knowledge, something that is often neglected. Thus, they highlight that one has to secure that the knowledge transfer occurs correctly.

**Purchasing-manager:** The purchasing-managers highlight that the buyer have to specify the purchase beforehand in order to mitigate risk, otherwise there is a big risk that the project will live its own life and that it will not become anchored in the organization. It is important that everyone stand behind the decision, otherwise it is a risk that it will fail and it will just be a waste of money. They also consider it a risk that the MCs stir up unnecessary reactions in the organization, which can affect future motivation towards MC projects. They also highlight confidentiality being a risk (q20). Furthermore, they describe becoming addicted to MC as a risk. They continue this reasoning with reflecting that as the MC is not loyal to the company, this implies a risk in losing valuable knowledge when the MC leaves.

#### 4.3.6 Knowledge evaluation

**CEO:** The CEOs describe that they value internal knowledge high. They describe that internal knowledge is important foremost because the internal knowledge provides a deeper

understanding for the organization (q21). However, they highlight that one has to be realistic with what can be developed internally and describes that sometimes it can be a matter of available resources in manpower. If you purchase external knowledge you should make sure to internalize it. They also describe that it is very important to explain why you purchase external knowledge and that you try to be as transparent as possible and the importance of doing this early on in the process.

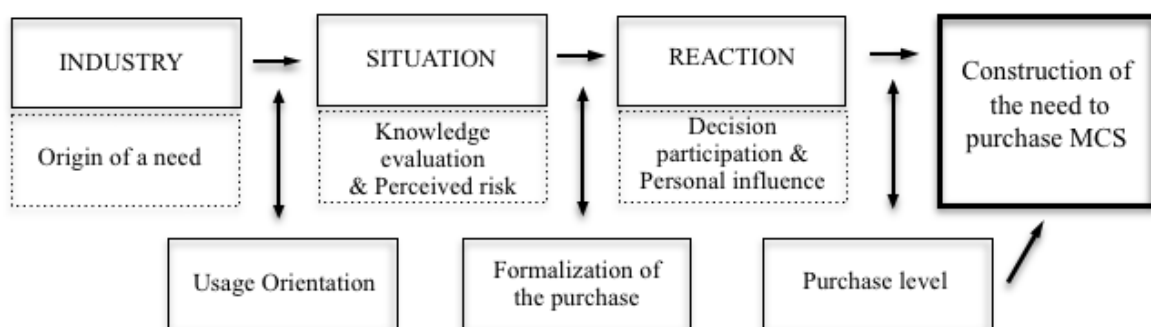
**HR-manager:** The HR-managers describes that they foremost value internal knowledge. However, they highlight that they see the value in temporary external knowledge, especially as their industry has gone through such a big technological transformation where external help have helped to understand the change and remain competitive (q22). They describe that it is important to anchor the knowledge internally, where ambassadors for the change is important from a bottom-up approach. They mention that they put in a lot of effort in making sure the organization believe in, and get on-board, with the change. They mention that the organization's attitude towards external knowledge vary a lot dependent on the CEO.

**Purchasing managers:** The purchasing managers describe that they value both internal and external knowledge. Internal knowledge is considered extremely important as you need to have core competencies within the organization. However, they highlight the value of external knowledge in that you sometimes can not see the forest due to all the trees, why external knowledge is valued.

## 5. Analysis

*The following section presents the analysis conducted, aiming to provide an understanding of how the need for management consultants is constructed. The nature of the analysis, in line with the explorative approach of the study, is foremost focused on describing the different dimension derived from the results as to understand the connections and links formulating the construction of a need. The analysis of the case studies will be presented one by one, resulting in a cross case study analysis comparing the investigated industries. Each industry will be analyzed following a three-step structure, namely: Industry, Situation and Reaction. The structure utilizes the dimensions derived from the results. Industry attends to Origin of a need, Situation attends to Perceived Risk and Knowledge Evaluation; and Reaction attends to Decision Participation and Personal Influence. Furthermore, Industry focuses on highlighting the contextual aspect of the research question by distinguishing different features of the investigated industries to support an understanding of how a context can have an impact on the construction of a need; the Situation describes what happens as a result of the context; and the Reaction aim to highlight the participation aspect of the research question.*

In accordance to Webster & Wind (1996), it is hard to distinguish cause and effect relationship when studying a purchasing process as all factors and dimensions have significant and substantial implication on each other. However, the analysis aims to follow a structured outline, explaining the nature and relationship between the dimensions involved in constructing the need for MCS.



*Model 4: A model describing the dimensions in the need construction to purchase MCS, made by the authors*

## 5.1 Analysis of Case Study 1: The Retail Industry

|                        |                                   |                               |
|------------------------|-----------------------------------|-------------------------------|
| <b>Industry:</b>       |                                   |                               |
| Origin of The Need     | Drivers:                          | Low Margins                   |
|                        | Culture & Norms:                  | Not Legitimate to Use MCS     |
|                        | Usage:                            | <i>Knowledge Oriented Use</i> |
| <b>Situation:</b>      |                                   |                               |
| Knowledge Evaluation   | Knowledge Valuation:              | Internal                      |
| Perceived Risk         | Risk:                             | High                          |
|                        | Experience:                       | Low                           |
|                        | <i>Formalization of purchase:</i> | <i>Low</i>                    |
| <b>Reaction:</b>       |                                   |                               |
| Decision Participation | Decision Power:                   | Centralized                   |
| Personal Influence     | Participation:                    | Few Actors                    |
|                        | Personal Influence:               | By the CEO                    |
|                        | <i>Purchase Level:</i>            | <i>Low</i>                    |

Table 4: Analysis of the Case Study 1: The Retail Industry

### 5.1.1 Industry

Webster & Wind (1996) argues that environmental influences are subtle and pervasive as well as difficult to identify and measure. They describe that these influences have an impact on the buying process by providing information as constraints and opportunities. Webster & Wind (1996) uses this notion of environmental influences as a starting point in their explanatory model of the purchasing process and its influencing factors. Based on the result from the case studies in this report, one can argue that this is also one of the major triggers, and thus starting point, permeating the retail industry's need of MCS.

As presented in the results, retail uses MCS to a relatively low extent. One can argue that the most apparent reason behind this characteristic is the low margins permeating the industry. Thus, one can argue that Webster & Wind's (1996) notion that environmental influences are *subtle and pervasive* as well as *difficult to identify and measure* does not apply for retail as the environmental forces are explicit. As MC constitute high costs by its nature, a frequent use of MC would not correlate with the "core standards" expressed by the respondents in the retail industry. It is worth mentioning that the nature of the environmental force driving the low usage in the retail industry is a constraint, rather than a driver. Describing it as a constraint implies that there is something to be constrained. In line with this statement, the respondents of the retail industry do in fact describe that they do see value in using MC, an argument that is strengthened by the fact they also do use MC on occasion. One can argue that as they do describe



a positive attitude, it is surprising that they express such determined approach that MCS is not suited for retail.

One can reflect that this relates to Pemers (2008) research regarding evaluation of MC. She describes that the evaluation process of MCS can be seen as a process of meaning creation, where the members of the organizations attempts to interpret and understand what the project has been about and how it should be evaluated. The evaluation can become sediment in the organizations, staying long after the project is finished, shaping the attitude on how a consultant project “should” look like. Thus, the evaluation affects both the evaluation of the project in relation to it being executed as well as future evaluations, as it provides norms and interpretations of the consultancy projects.

Based on what is stated above, one can reflect that retail has anchored a solid belief that the industry is not suited to use MCS. As the motivation behind this restrictive usage is an industrial feature having economic implications on the businesses it should not be considered as purely a sediment belief without any anchoring in facts, but one can interpret, as many respondents actually expresses a positive attitude, that the restrictive use is enforced by constructed meanings and not purely by the industrial constraints. Perner (2008) also describes that what values, and how strongly these values, gets anchored in the organization, will be affected by who (position in company) tells the story, their legitimacy in the organization, and how well the story is anchored in the organization’s culture, norms and ideals when regarding consultancy usage. The stories that are close to the organizations ideals and norms tend to have an advantage against stories that does the opposite (Czarniawska-Joerges 1988; Boyce 1995). Perner’s (2008) reasoning can be applied to the situation regarding the most influential actor within the retail industry, the CEO. As the CEO in retail have an outspoken centralized decision-power in terms of MCS usage one can argue that his standpoint will affect the meaning constructions in the industry to a high extent. As the CEOs all mention the low margins as being a strong constraint, one can argue that this have an impact on the attitude of the other actors in the organization. Thus, one can reflect that the environmental factors permeating the retail industry is functioning as a starting point of a restrictive attitude, and that the CEO in turn acts as a catalyzer in spreading this attitude throughout the industry, anchoring a solid belief. Furthermore, as the potentially heightened constructed belief is closely related to the identity, norms and values of retail as being cost-conscious, one can argue that, in line with Perner

(2008), the stories restricting the usage of MC have an advantage against the positive attitude from the respondents, resulting in a low usage.

In line with the reasoning above, the norms and the culture within the retail industry can be interpreted as to not legitimizing the use of MCS (Pemer, 2008). The results show that there is a dominating opinion that the organizations in the industry need to know their own business the best, as part of their competitive advantage. They claim that if external sources knew more about their business, they would not have a business. The strong opinions regarding internal knowledge being a vital part of the competitive advantage can be interpreted as a feature embodying a cultural constraint to purchase MCS. Another contributor to the norm of not using of MCS is the union within the retail industry. Actors mention frequently that the unions within the retail industry are highly against the use of MCS, making the process to purchase them harder. This can be interpreted as yet another institution affecting the culture and the norm within the retail industry as not legitimizing the use of MCS.

Even though the motives described in the results vary, and cover most reasons provided by Andersson (2001), the usage of MCS can be traced to origin as being knowledge oriented. The reasoning is motivated by the fact that when asking about what projects in which they have worked with MC, they mention projects focusing on the *how*, implying the nature of strategic and tactical knowledge. Furthermore, returning to the fact that the industry is highly cost conscious, the actors within the industry argues that using MCS as resource would be a too costly manpower. The knowledge orientation of the usage of MCS is further highlighted in the results, by the respondents referring to needing help going from point A to point B. Once again, the respondents are indicating that they need help with figuring out the *how*. One can argue that the reasoning above correlates with Pemer's (2008) description of knowledge oriented use, as foremost seeking external knowledge rather than gain resources.

#### 5.1.2 Situation

##### *Risk*

Generally, actors within the retail industry consider the risk associated with the purchase of management consultancy services to be high. Mitchell (1994) suggests that the risks associated with the purchasing of MCS can be identified into three categories; namely financial risk, time risk and psychosocial risk. As highlighted in the results, the most apparent risks within the retail industry are financial risk and psychosocial risk. According to Mitchell (1994), financial risk

implies concerns about value for money as well as how much money may be wasted or lost if the product does not perform well. Mitchell's (1994) description captures the main features continuously referred to as main factors related to the industries behavior in terms of MCS purchase. The actors describe how it is an expensive service to purchase, why the consequences of failure are critical for the organization as the industry is dependent on small margins as a resource for survival. Thus, the financial risks involved in the purchase can be considered to trump the potential benefits from purchasing MCS, thus highlighting a significant factor in terms of the purchase logic, and thus construction of a need, within retail. Psychosocial risk implies concerns about the negative thoughts from other people if a poor choice of product is made (Mitchell, 1994). This also correlates with the results as many of the CEO's within the industry highlights the risk that the purchase of MCS signals a lack of competence and knowledge to the organization and the employees. Hence the risk can accordingly to Mitchell (1994), be categorized as a psychosocial risk, as the CEO's consider them to carry a personal risk associated with the purchase. One can argue that this especially high within retail as all the decision power is centered to the CEO. As signaled from this reasoning, the psychosocial and financial risk can be related to the previous reasoning regarding norms and culture permeating the industry, where the risk related to MCS can be interpreted as not legitimizing the usage of MCS. This highlight the interdependence between the dimensions derived from the results and the complex process of the construction of a need.

### *Knowledge evaluation*

The next dimension, knowledge evaluation, describes the actor's evaluation of internal and external knowledge. A dominating attitude within the retail industry is that they value internal knowledge higher than external knowledge, as knowing the core business is a vital part to keep the competitive advantage. This can be understood by Zack (1999) who suggest that more business organizations are starting to view knowledge as their most valuable and strategic resource. He mentions that in order to remain competitive, organizations must explicitly manage their intellectual resources and capabilities. Based on the results, one can argue that the retail industry has implied a high level of pressure on the knowledge development in the industry, in order to live up to Zack's reasoning.

Furthermore, Pfeffer (2003) describes that the preference for internal knowledge can also be explained by the status implication purchasing MCS brings. As mentioned previously, a common perceived risk by the CEO's is being considered not knowledgeable enough to do ones

job. The fear of being perceived as incompetent constitutes for high status implications associated with the purchase (Pfeffer, 2003). Hence the status implication of being perceived as incompetent might trump the benefits of purchasing external knowledge, which can to some extent explain why the retail industry prefers internal knowledge. An underlying factor contributing to the status implication of purchasing external knowledge can be found in the previously mentioned inexperience using management consultants within the industry, as experience (Mitchell, 1994) is argued to be reducing the perceived risks involved with the purchase. Furthermore, the preference for internal knowledge can also be explained through Pfeffer (2003) as depending on the availability or scarcity of internal knowledge. When, even though rarely, organizations within the retail industry purchase MCS, it is due to a scarcity of internal knowledge, as guiding *how* to best execute a strategy. The same reasoning can explain why the organizations do not purchase MCS, as they have the desired knowledge available internally (Pfeffer, 2003). Thus, the high perceived value of internal knowledge within the retail industry is a central feature in the need construction process.

### 5.1.3 Reaction

#### *Decision participation*

The results show that the construction of a need is influenced by who can take initiative, who has the decision power, and the organizational structure. This relates to Webster & Wind's (1996) reasoning regarding the organizational structure, and in particular the organization of the *buying center*. According to Webster & Wind (1996), the buying center constitutes all members of the organization who are involved in that process. The roles involved are those of user, influencer, decider, buyer, and gatekeeper. Members of the buying center are motivated by a complex interaction of individual and organizational goals and their relationships with one another involve all the complexities of interpersonal interactions (Webster & Wind, 1996). As described in the results, all the studied actors within the retail industry *can* take initiative. However, it is very seldom that anyone else than the CEO takes initiative. The CEO is also the one making the final decisions. Hence, the structure within the retail industry is highly centralized in terms of involvement in the purchasing of MCS. Thus, applying Webster & Wind's (1996) categorization, the *user* in the retail industry constitutes the CEO and sometimes the HR-manager. Furthermore, the results describe that everyone *can* take initiative, but that they seldom do, due to the outspoken centralized decision power. The result also shows that the CEO sometimes seeks advice from close relations and people he/she trusts. Thus, the results highlight that only people close to the CEO is considered to be *influencers*, as the CEO's don't

encourage employees to suggest and take initiative regarding the purchase of MCS. The CEO's mentions that even though the decision usually is something constructed together with the management team or involved parties, they are the one making the final *decision*. As the buyers often have authority for managing the contacts of suppliers with other organizational actors (Webster & Wind, 1996), one can argue that the CEO perform the *gatekeeper* function. The categorization of these roles clearly show that the construction of a need for MCS in the retail industry is highly affected by the CEO.

This argument is further strengthened by Webster & Wind (1996) as they describe that all organizational buying behavior is individual behavior. Only the individual as an individual or as a member of a group can define and analyze buying situations, decide, and act. In this behavior, the individual is motivated by a complex combination of personal and organizational objectives, constrained by policies and information filtered through the formal organization, and influenced by other members of the buying center (Webster & Wind, 1996). Thus, applying this reasoning, by investigating the individuals having a significant impact of the purchasing of management consultant, one can claim to gain valuable information of how the need is constructed. One can achieve this more thorough image by attending to the involved actors' central personal influences, in this case the character of the CEO.

### *Personal influences*

Another found dimension affecting the construction of a need to purchase management consultancy services are personal characteristics. The connection between the personal characteristics and the need construction can be understood through Webster & Wind (1996), suggesting that buying behavior is highly dependent and influenced by the decision maker's personal characteristics. This was also seen in the results in the case study, where the personal characteristics of the decision maker, the CEO, had huge impact of how the need for MCS was constructed. Previous experience, knowledge and attitudes were showed in the results to affect the need and the buyer behavior. All the CEO's within the retail industry highlighted that they have a large network and many personal connections and relations with key actors within the industry as they have worked for a longer period of time; hence they know who to ask and who the expert is within a specific field. The purchase can be interpreted to become highly relational, as those CEO's tends to use consultants they have worked with before. Their vast experience working within the industry, and sometimes other industries, have provided them with a decision-making set based on experience and knowledge, where trust and control is mentioned

to be important factors in the purchase. The CEO's attitude towards management consultants is fairly positive, yet they use them restrictively. The attitude can be drawn from the value they see from purchasing MCS, on which they elaborate, is positive when being in the need for external knowledge for a specific project, with a well defined need. The attitude towards management consultants tends to be different between the actors within the organization, depending on the position. The HR-managers experience working with management consultants vary, yet that don't seem to be correlated to the attitude, as they remain more skeptical than the CEO's. They do see the value management consultants bring if, yet in line with the CEO's elaboration, yet they consider there to be great risks involved with the purchase as not implementing and integrating the external knowledge in the organization. This view seems to be independent on the level of previous experience. The personal characteristics of the HR-managers in terms of experiences and attitudes does not seem to affect the purchase itself, even if they might influence the CEO's likelihood of purchasing management consultants, as they are sometimes involved with the purchase, and hence indirectly affect the decision, as the CEO's take other actors attitudes in consideration in the purchase according to Webster & Wind (1996).

## 5.2 Analysis of Case Study 2: The Insurance Industry

|                        |                                   |                              |
|------------------------|-----------------------------------|------------------------------|
| <b>Industry:</b>       |                                   |                              |
| Origin of The Need     | Drivers:                          | Regulations                  |
|                        | Culture & Norms:                  | Legitimate to Use MCS        |
|                        | <i>Usage:</i>                     | <i>Resource Oriented Use</i> |
| <b>Situation:</b>      |                                   |                              |
| Knowledge Evaluation   | Knowledge Valuation:              | Internal & External          |
| Perceived Risk         | Risk:                             | Low                          |
|                        | Experience:                       | High                         |
|                        | <i>Formalization of purchase:</i> | <i>High</i>                  |
| <b>Reaction:</b>       |                                   |                              |
| Decision Participation | Decision Power:                   | Decentralized                |
| Personal Influence     | Participation:                    | Many Actors                  |
|                        | Personal Influence:               | Collective Experience        |
|                        | <i>Purchase Level:</i>            | <i>High</i>                  |

Table 5: Analysis Case Study 2: The Insurance Industry

### 5.2.1 Industry

According to the results from the case study, the main driver of the need for MCS, permeating the industry, are new regulations, which the organizations need to adjust to. In accordance to Webster & Wind (1996) such regulations can be categorized as a legal environmental factor, determining the values and norms guiding inter organizational relations. Thus, as there is consensus among the organizations that they all need to adjust to these regulations, it can be seen as if the driver of regulations has created norms among the organizations, legitimizing the use of MCS (Pemer, 2008). Hence, all actors highlight that the knowledge regarding the regulations needs to be purchased from external sources as they are a fresh commodity that needs to be replaced as the knowledge gets old. The norms and culture within the insurance industry can be interpreted as to legitimize the use of MCS (Pemer, 2008) as the results show that the usage of consultants is a natural part of the organizational daily operations.

The industrial drivers and the culture affect the use of MCS (Pemer, 2008). Even though the motives for purchasing MCS are highly diverse, and cover all reasons suggested by Andersson (2001), the usage of MCS can be traced to origin as being resource oriented. This, as the actors within the insurance industry highlight that they often *can* develop all the necessary knowledge to cover the needs internally, yet they purchase it externally as it goes faster and increase the level of flexibility within the organization.

These results can be understood through Webster & Wind (1996), as organizational triggers affect the organizational buying behavior, being directed by the organization's goals and constrained by its financial, technological and human resources. It can be argued that the buying behavior is constrained by its human resources, as they have the goal of being fast and flexible, they purchase MCS.

### 5.2.2 Situation

The usage being resource oriented is shown in the results, and is further seen to affect the perceived risks and the knowledge evaluation.

#### *Risks*

The overall perceived risk within the insurance industry can be argued to be low to medium as the overall perceived risk often corresponds to the level of usage of management consultants (Mitchell, 1994). Consider they end up frequently using management consultants, one may

argue that the perceived overall risk to be low. Nevertheless, the greatest perceived risk is that the management consultants never leave, and sticks to the organization. All actors mention this risk and that it is a strategic act made by the management consultants, why having control over the process and knowing when to end a project is crucial. This type of risk can be seen as a financial risk (Mitchell, 1994) as consultants sticking to the organizations consequently cost a lot of money for the purchasers as new projects evolve during the management consultants stay. Yet most actors also mention the importance of having control over the process which can be understood as being a risk reducing act in accordance to Mitchell (1994).

Generally, within the insurance industry, they do perceive some risks associated with the purchase, yet they have strategies reducing that risk (Mitchell, 1994), which can create a deeper understanding for why they to a large extent purchase management consultants, being more positive towards them. The perceived risk can also be understood as to decrease as the rather frequent use of MCS provides the organization with experience using them (Mitchell, 1994). The experience is considered an important factor to minimize the risks, as organizations learn from good and bad experiences with MCS, which knowledge they use in future purchases (Mitchell, 1994).

### *Knowledge Evaluation*

Another factor seen to affect the situation from the results are how the actors value internal and external knowledge. A general attitude within the insurance industry is that they rather have internal resources to cover a need, yet the benefits of having temporary, external knowledge is both valued and considered important. It is a clear pattern that the value of one type of knowledge does not devalue another type of knowledge. Rather, there is a coherent view from the actors within the insurance industry that internal and external knowledge complement each other without affecting the valuation of them. In contrast to Pfeffer (2003), one can argue that the preference for external knowledge does not degrade the value of internal knowledge, as implied by many of the actors. This is also a consideration provided by Pfeffer (2003) as an implication to the theory, as the two types of knowledge's are not in a one-dimensional valuation scale, rather, the valuation of knowledge are separated. The value of both internal and external knowledge is seen among all actors regardless of position within the insurance industry.

Nevertheless, the valuation of external knowledge can be seen as a result of availability or scarcity of resources as mentioned being a trigger of the need (Pfeffer, 2003). Thus, as



previously stated most actors within the industry confirms that if they have the knowledge to cover the need within the organization, they foremost use that, and if not, they need to purchase the knowledge from an external source. With that in mind, Pfeffer (2003) argues that managers often value of analysis of consultants, whose claims of expertise and objectivity can dominate the recommendations of internal prophets, even when they both wind up saying the same thing. This is something that the purchasing managers brings up as a problem, thus with the underlying explanation that time in these situation is a scarcity. The preference of external knowledge is, per se, a phenomenon in the insurance industry, when there is not time or enough resources to do it internally, even though they would probably wind up with the same conclusion, as indicated by Pfeffer (2003).

As can be seen in the results, the knowledge evaluation and the perceived risk, in combination with the industry characteristics and the usage are determinant of how formalized the purchase of MCS are within the industry. As the industry is considered to drive the need for MCS, the culture legitimizes the use of MCS, the risk is perceived low and the actors value both internal and external knowledge, the formalization of the purchase is high. This chain of effects can be understood through Perner & Skjolsvik (2016) suggesting that formalization of the purchase of MCS is a trend of the organization wanting to control the cost and gain transparency, which is clearly seen in the results. The formalization of purchasing processes is also considered to be the only sustainable choice from the CEO's perspective, as there are too many purchases of MCS, why not having the purchases formalized "*would be like the wild western*". How formalized the purchasing process of MCS is, is shown in the results to have major implications regarding who can react to it.

### 5.2.3 Reaction

The actors who gets to be involved in reacting to a situation vary between organizations within the industry. Most organizations have developed purchasing departments as they consider the purchase of consultancy services to be of high strategic importance, why having clear processes for the purchase is desired.

### *Decision Participation*

Who gets to be involved in the purchasing process is showed in the results to vary, yet on a general note, there are often many actors involved when purchasing management consultancy services as there are many steps in the process. All studied actors have a distinguished role

within the purchase even though it varies between the organizations, they are highly involved in one way or another. One can argue that this have significant effects on how the need is constructed (Webster & Wind, 1996) as the individuals involved with the purchase influence the outcome. Within the insurance industry, it's stated that everyone can take initiative and that most managers can make the final decision, hence the decision can be interpreted to be decentralized. One can argue that this is an effect of the organizational structure permeating the companies within the industry as more managers can include management consultants in their budget.

The results showed that there are many developed purchasing departments with purchasing professionals, thus the decision participation is most often standardized. The purchasing managers tends to have an outspoken role of being responsible for all agreements and making sure the purchase goes smoothly. They are continuously referred to as the “control-unit” of the purchase. Thus, they are not involved in the decision making per-se. Rather, they take initiative favoring the construction of the purchase. These characteristics of the purchase are strongly correlated to a transactional view of the purchase (Van der Valk & Rozemeijer, 2009). Some CEOs do mention relations as important and claim that it can act as influencing factor for deciding on a management consultant, but it is not the ultimate go-to reference on deciding what and who to hire. Rather, referring to Van der Valk & Rozemeijer (2009) the insurance industry is further along the process of involving their purchasing department in the process. Regarding the involvement of the purchasing department when buying management consultants, one can argue that this is highly related to the industrial factors permeating the insurance industry as the core product and existent evolves around regulations. Decision participation has a great impact over the need construction and how that need is constructed. Even though the purchasing process of MCS is formalized, one should not forget the importance of the individual character's influence over the purchasing process (Webster & Wind, 1996)

### *Individual Influences*

Hence the insurance industry has a more formalized purchasing process, where more actors are involved, the decision-maker vary between projects and the investigated organizations. The most prominent individual influencer on the need construction is the experience and knowledge of the actors involved, and foremost the decision-maker. In accordance to Mitchell (1994) the experience of purchasing MCS decrease the perceived risk as previous experience can guide future purchases into becoming more successful. As the purchases are formalized to a larger

extent within the insurance industry, the experience becomes visible for all actors involved with the purchase, as one important step in the formalized process of purchasing, as seen in the results, are more thorough follow-ups where successful projects act as a guide in future purchases. This can also explain why the risk within the insurance is considered to be lower, as the collective experience reduce the risks associated with the purchase (Mitchell, 1994).

The same reasoning can also explain the contradictory results when it comes to purchasing MCS to a high extent as well as the attitude is shown to be skeptical. This can be understood actors who have a greater experience from working with management consultant, experienced both successful and failed projects (Mitchell, 2003), why the usage level can be explained to be high, at the same time as they're attitude remain somewhat skeptical.

### 5.3 Analysis of Case Study 3: The Media Industry

|                        |                                   |                               |
|------------------------|-----------------------------------|-------------------------------|
| <b>Industry:</b>       |                                   |                               |
| Origin of The Need     | Drivers:                          | Technology                    |
|                        | Culture & Norms:                  | Legitimate to Use MCS         |
|                        | Usage:                            | <i>Knowledge Oriented Use</i> |
| <b>Situation:</b>      |                                   |                               |
| Knowledge Evaluation   | Knowledge Valuation:              | Internal & External           |
| Perceived Risk         | Risk:                             | Medium                        |
|                        | Experience:                       | Medium                        |
|                        | <i>Formalization of purchase:</i> | <i>Medium</i>                 |
| <b>Reaction:</b>       |                                   |                               |
| Decision Participation | Decision Power:                   | Centralized                   |
| Personal Influence     | Participation:                    | Concerned Actors              |
|                        | Personal Influence:               | CEO                           |
|                        | <i>Purchase Level:</i>            | <i>Fluctuating</i>            |

Table 6: Analysis Case Study 3: The Media Industry

#### 5.3.1 Industry

As stated in the results, there is a highly fluctuating use of management consultancy services within the media industry. This is further elaborated on as being a consequence thus the main driver of the need for MCS, permeating the industry, are advanced in technology, which the organization's needs to adjust to. These changes in technology have a major impact on customer preferences, something that all actors mention have changed drastically the last decades. In accordance to Webster & Wind (1996) such technology developments can be categorized as technology environmental factor, which also has effect on the social factors, which includes changed customer preferences. The norms and the culture within the media industry can be interpreted as to legitimize the use of MCS (Pemer, 2008) as the results show that meeting there

environmental changes is a natural part of the industry they operate within. Respondents describe how the need for and usage of management consultants have increased in parallel to the digitalization becoming a more apparent phenomenon. They also mention management to be more open for the purchasing of management consultants. Thus, one might argue that the industrial change in the media industry have had impact on such implicit values and norms, making the usage more legitimized (Webster & Wind, 1996).

Even though the motives described in the results vary, and cover most reasons provided by Andersson (2001), the usage of MCS can be traced to origin as being knowledge oriented. The knowledge orientation of the usage of MCS is highlighted in the results, as all actors agree on the usage to regard shifts in the environment, creating a need for external knowledge during specific periods of time. When respondents elaborate on this, they mention the need of gaining a greater *understanding* for the major industrial change taking place in their close environment and having impact on their business. They claim that they need support as to *understand* the changes, the implications of it, and how to deal with it. Yet, the need for MCS are seen in the results to fluctuate, something that goes in line with the technological environmental factor according to Webster & Wind, (1996) as they are technology are developed in cycles, triggering the need to change period-wise.

### 5.3.2 Situation

#### *Risk*

Furthermore, one can detect that the experienced risk within the media industry is an influencing factor on the construction of a need. Based on the results, one can interpret the usage level of management consultants to be medium to high. Corresponding to this, respondents describe that they experience a medium to high risk involved when purchasing management consultants. Thus, one might argue that this correlates with Mitchell's (1996) theory stating that overall perceived risk experienced in an organization, often correspond to the level of usage of management consultants. Thus, if one interprets the construction of a need to be defined by the actual purchase, one can argue that risk is one of the steering factors in the construction of a need, as it can be interpreted as an indicator of the purchase level.

The most apparent risk within the industry overall can be interpreted as not having a defined goal and thus not being able to judge the outcome, becoming addicted to management consulting services, and ultimately as a result lose a lot of money. Not having a defined goal relates to Michael's (1994) reasoning about risk. He describes that if the customer's

specification of the service to be provided is vague or inaccurate, then the cause of dissatisfaction may rest with the customer. The brief, a clear specification of needs to the consultant, is the major part of this customer specification.

One might argue that this highlight an interesting phenomenon. Mitchell (1993) describes that if you purchase MCS seldom, the risk increases as an effect of less usage experience. This would imply that if you buy more, the risk would go down, implying that the barriers of buying more is lower which in turn can be interpreted as increasing the risk of becoming addicted. This reasoning show how the complex processes of the construction of the need for MCS. One can reflect that this highlight the construction of a need having great implications on the way one purchase MCS, favoring the reasoning that if you have started to purchase MCS, the effect that risk have on the purchase is a crucial feature in the business model of management consultants, enforcing an addiction.

Furthermore, the risk of losing money, or financial risk, is described by Michael (1994) as a common risk among client of management consultant. They also mention the risk of becoming addicted to management consultancy services. The financial risk is something permeating all the industries but with different level of impact.

### *Knowledge evaluation*

Another factor seen to affect the situation from the results are how the actors value internal and external knowledge. A general attitude within the media industry is that they rather have internal resources to cover a need, yet the benefits of having temporary, external knowledge is both valued and considered important. It is a clear pattern that the value of one type of knowledge does not devalue another type of knowledge. Rather, there is a coherent view from the actors within the media industry that internal and external knowledge complement each other without affecting the valuation of them. In contrast to Pfeffer (2003), one can argue that the preference for external knowledge does not degrade the value of internal knowledge, as implied by many of the actors. This is also a consideration provided by Pfeffer (2003) as an implication to the theory, as the two types of knowledge's are not in a one-dimensional valuation scale, rather, the valuation of knowledge is separated. The value of both internal and external knowledge is seen among all actors regardless of position within the media industry. This can be understood based on previous section, pointing out that there is a legitimacy in purchasing MCS during periods of time, when the organization needs external knowledge

regarding how to meet new technology and new customer preferences. The temporary need of knowledge can according to Pfeffer (2003), be seen as a temporary scarcity of resources, hence triggering the need to purchase.

Furthermore, Zack (1999) argues that more business organizations are coming to view knowledge as their most valuable and strategic resource. He mentions that in order to remain competitive, organizations must explicitly manage their intellectual resources and capabilities. Based on the results, one can argue that the reformation of the media-industry has implied a high level of pressure on the knowledge development in the industry, in order to live up to Zack's reasoning. Hence, the results indicate a pattern of a strategic knowledge gap (Zack, 1999) permeating the industry that has been filled by the usage of external knowledge.

Thus, turning to the knowledge strategy framework presented by Zack (1999), one can argue that the media industry has been driven by industrial changes to increase its knowledge in a specific area to fill this gap, namely factors related to the digitalization. The results show that in order to fill this gap, the media industry have been driven to purchase external knowledge to a large extent. Thus, one can argue that an organization's knowledge strategy can play a part in the construction of a need for management consultancy services.

### 5.3.3 Reaction

#### *Decision participation*

The results show that the construction of a need is influenced by who takes initiative, who makes the decision and the organizational structure. This relates to Webster & Wind's (1996) reasoning regarding the organizational structure, and in particular the organization of the *buying center*. According to Webster & Wind (1996), the buying center constitutes all members of the organization who are involved in that process. The roles involved are those of user, influencer, decider, buyer, and gatekeeper (who controls the flow of information into the buying center). Members of the buying center are motivated by a complex interaction of individual and organizational goals and their relationships with one another involve all the complexities of interpersonal interactions. As described in the results, all investigated actors within the media industry *can* take initiative and make the decision to purchase management consultants, but it is also highlighted that the involvement foremost focused to the CEO and HR-manager. Thus, if following the categorization described by Webster & Wind (1996), one can argue that the user constitutes the CEO and HR-manager. Furthermore, the actual purchase is also mentioned to be taken care of by the CEO and the HR-manager. As everyone can take initiative, everyone

can be considered be influencers. The CEO is mentions that the decision usually is something constructed together with the management team or involved parties, thus among the investigated actors the decision can be said to be divided between the CEO and HR-manager (as the purchasing manager seldom is involved). Buyers often have authority for managing the contacts of suppliers with other organizational actors, and thus one can argue that the CEO, and the HR-manager to some degree, perform the "gatekeeper" function as well. The categorization of these roles clearly show that the construction of a need for management consultants in the media industry is affected by the HR-manager and the CEO.

This argument is further strengthen by Webster & Wind (1996) as they describe that all organizational buying behavior is individual behavior. Only the individual as an individual or as a member of a group can define and analyze buying situations, decide, and act. In this behavior, the individual is motivated by a complex combination of personal and organizational objectives, constrained by policies and Information filtered through the formal organization, and influenced by other members of the buying center. Thus, applying this reasoning, by investigating the individuals having a significant impact of the purchasing of management consultant, one can claim to gain valuable information of how the need is constructed. One can achieve this more thorough image by attending to the involved actors' central personal influences.

### *Personal Influences*

As stated in the results, the CEO of the media industry have highly fragmented resumes and extensive experience. They also mention that they use this experience, and the network they have gathered throughout the years, as a method for decision making related to management consultants. One can argue that this relates to Webster & Wind's (1996) reasoning regarding the personal influences on a decision. They describe this as non-task motives, i.e. strictly personal motives and describes how broadly speaking, non-task motives can be placed into two categories: achievement motives and risk-reduction motives. Achievement motives are those related to personal advancement and recognition. Risk-reduction motives are related, but somewhat less obvious, and provide a critical link between the individual and the organizational decision-making process. This is also a key component of the behavioral theory of the firm, in which uncertainty avoidance is a key motivator of organizational actors. The authors also suggest that information-gathering is the most obvious tactic for reducing uncertainty. Hence, one might argue that information-gathering relates to what the CEO mention as their usage of

experience as a decision-making tool. This reasoning further relates to Mitchell (1994). He states that experience is one of the most important factor influencing the purchase, as experience from management consultants contributes to risk reduction (Mitchell, 1994).

#### 5.4 Cross Comparison of the Case Studies

*Below is a comparison of the three case studies, aiming to highlight how the need to purchase MCS is constructed on a general note. The comparison of the industries highlights different aspects to answer the research questions as well as the overall purpose of the study.*

| <b>Industry:</b>       |                        | <b>Retail:</b>                | <b>Insurance:</b>            | <b>Media:</b>                 |
|------------------------|------------------------|-------------------------------|------------------------------|-------------------------------|
| Origin of The Need     | Drivers:               | Low Margins                   | Regulations                  | Technology                    |
|                        | Culture & Norms:       | Not Legitimate to Use MCS     | Legitimate to Use MCS        | Legitimate to Use MCS         |
|                        | Usage:                 | <i>Knowledge Oriented Use</i> | <i>Resource Oriented Use</i> | <i>Knowledge Oriented Use</i> |
| <b>Situation:</b>      |                        |                               |                              |                               |
| Knowledge Evaluation   | Knowledge Valuation:   | Internal                      | Internal & External          | Internal & External           |
| Perceived Risk         | Risk:                  | High                          | Low                          | Medium                        |
|                        | Experience:            | Low                           | High                         | Medium                        |
|                        | <i>Formalization</i>   | <i>Low</i>                    | <i>High</i>                  | <i>Medium</i>                 |
| <b>Reaction:</b>       |                        |                               |                              |                               |
| Decision Participation | Decision Power:        | Centralized                   | Decentralized                | Centralized                   |
| Personal Influence     | Participation:         | Few Actors                    | Many Actors                  | Concerned Actors              |
|                        | Personal Influence:    | By the CEO                    | Collective Experience        | CEO                           |
|                        | <i>Purchase Level:</i> | <i>Low</i>                    | <i>High</i>                  | <i>Fluctuating</i>            |

*Table 7: Analysis Cross Case Study: All Industries*

**The linkage between the industry and the situation** is the the usage of management consultants, whether it is resource oriented use or knowledge oriented use (Pemer, 2008). The industry affects whether the organization use MCS to gain resources or to gain knowledge. This is dependent on the culture within the industry, e.g whether it is considered legitimate to purchase MCS, as well as what are important drivers within the industry. The industry and the use of MCS later affect the situation, whether the risk is perceived high or low, and how knowledge is valued. Dependent on the use of consultants being to gain resource or knowledge, the need construction will look different. These factors then affect the degree of formalization of the purchasing process of MCS.



**The linkage between the situation and the reaction** is whether there are formalized purchasing departments or not within the organization (Van der Valk & Rozemeijer, 2009; Perner & Werr, 2007). The degree of formalization can be argued to be a consequence of the industry, the usage and the situational factors, as whether there is a need for a more formalized purchasing process or not, which often seems to correspond to the usage level according to the previous analysis. The degree of formalization then affect who is allowed to participate, as more formalized processes includes more factors compared no less formalized purchases where fewer actors are involved (Perner & Werr, 2007). As presented in the previous results and analysis, the degree of formalization also indicates who gets to be involved in the need construction, as well as who takes the final decision to purchase MCS, hence being the final linkage to the purchasing level.

**The final linkage between the reaction and the need construction** is the purchasing level which concludes that there has been a need construction leading up to the purchase. Hence, in line with the results and the analysis, it can be seen that the purchasing level is affected by all the previous factors; the industry, the usage, the situation, and the formalization and the reaction which leads down to actually making the decision to purchase MCS.

Yet important is to highlight whether the need is triggered by organizational factor or environmental factors, as the arrow between the boxes can go the other way around. If the organization itself initiate a need, they begin with the need construction, then valuing what usage orientation they want – resource or knowledge. Lastly, one adjust to the context. This highlights the influence of the context on the consultant usage which contributes to the research regarding consultancy use.

### **Cross Industry analysis**

The industry in which the different organizations and actors operate within and need to adjust accordingly, have different environmental factors triggering the need. There are differences between the industries regarding what culture and what drivers that permeate the industries. The culture affects the organizations as there are norms in what is perceived as needed, and whether it is legitimate to use consultants. As seen in the different analysis regarding drivers, there are different triggers to the need, hence affecting the origin of a need. Within the retail industry, one of the main drivers are low margins which restrains the consultancy use as they are considered to expensive. The character of the organizations operating within the retail

industry has also due to drivers, created a norm where using MCS is not a legitimate action. The opposite can be seen within the insurance industry, being driven by new regulation, the usage of MCS is seen as legitimate as it is a way of meeting the changes in regulation permeating the industry. The media ends up in between the retail and the media industry as their main driver is argued to be new technology, which evolves in cycles, and needs to be met in accordance to these cycles. As the environment has affected the media industry to a large extent during the last decades, using MCS is legitimized as most organizations use them period-wise.

### **Cross Situational analysis**

The industry and the usage orientation have implications on what situations are considered to generate a need where MCS are purchased. To either purchase MCS in a resource oriented use or knowledge oriented use affect the perceived risk with the purchase and the knowledge evaluation as can be seen in the former industry analysis. Within the retail industry, where the usage can be seen to be knowledge oriented, risks are also seen as high, partly because the usage of MCS is not legitimized within the industry, partly because the consequence of seldom use is inexperience purchasing MCS. In combination with the high valuation of internal knowledge, due to the industry characteristics, the situation is not favorable for using MCS. The opposite can be seen within the insurance industry, where the usage can be seen to be resource oriented as an effect of regulation as drivers and a legitimization among organizations to use MCS. The favorable industry characteristics contribute to lower risks associated with the purchase, as the experience of using MCS contributes to lower risks, and a valuation of both internal and external knowledge. Compared to retail, external knowledge is seen as a valuable complement to the internal knowledge, and the risk associated with them has been reduced as the formalization of the purchase of MCS take place. Once again, the media industry places itself between the retail and the insurance industry as the industrial driver, technology, appears in cycles, knowledge orientation use of MCS is needed in cycles. As the use of MCS is considered legitimate within the media industry, this lower some of the risk associated with the purchase as they have some experience purchasing them, lowering the risks. The need for external knowledge to meet the changing environment also contributes to valuing both internal and external knowledge, even though most actors consider external knowledge to be used during very specific circumstances. Hence, the high risk, low experience and internal knowledge valuation within the retail industry, the formalization of the purchase is low. The opposite can be found in the insurance industry where the risk is considered low, experience high and where

they value both internal and external knowledge, hence there is a high formalization of the purchase of MCS. Semi-formalized purchases can be seen within the media industry as the risk and experience is relatively high, at the same time as they value both internal and external knowledge.

### **Cross Reaction analysis**

The industry characteristics, the usage, the situation and the formalization of the purchase then affect the reaction, including who is allowed to react. The degree of formalization has major implications on where the decision is being made, who is allowed to participate and how personal characteristics influence the decision being made. The overall degree also has a direct implication on the purchasing level, being an important factor in the need construction. Within the retail industry, the formalization of the purchase is argued to be low, thus one can detect a pattern regarding who is involved with the purchase of MCS. Due to the inexperience using MCS as well as the high risk involved, there is no need for a formalized purchase. This makes the purchase process to be highly centralized, where foremost the CEO is involved as well as being the one making the decisions. The decision being made by the CEO, is shown to be influenced a lot by the CEO's previous experience, network and knowledge, being highly relational. Once again, the insurance industry is the opposite, where high formalization of the purchase has made the decision decentralized where many actors are involved, having clear roles and tasks during the purchasing process. The personal influence on the purchase can be seen as a collective experience, as the purchases become evaluated to a higher extent, contributing to visible knowledge for all actors involved in the purchase to have in mind in the next purchase. The media industry is more in line with the retail industry's reaction, as there is a semi-formalization of the purchasing process, concerned actors are involved in the process when purchasing MCS in periods. Yet, the purchase process remains centralized where the decision most commonly is made by the CEO, who's experience and network within the industry play a vital role in how the purchase is being made.

## 6. Conclusions

*The conclusions of the multiple case studies are presented below, summarizing the key findings from the analysis in terms of implications for the purpose and aim of the thesis. Furthermore, the concluding section presents the theoretical contribution and managerial implications of the thesis, take into account for possible limitations as well as suggestions for further research are discussed.*

The fundamental motive for this study was to gain deeper understanding for how the need to purchase management consultancy services is constructed. Three case studies were made as to investigate the need creation in different context in terms of industries, in which the need is constructed for management consultancy services. The aim of these studies consequently centered around gaining understanding regarding how the need for management consultancy services is constructed, and who is involved in that construction. The results showed that the need to purchase management consultancy services is constructed differently depending on industry, the situations from which the need origin, as well as how one react to that situation and who is allowed to participate.

In regards to the first research question; "How is the need to purchase management consultancy services constructed in different industries?". Our study show that the need is constructed as the industry drivers and norms influence the legitimacy to use MCS, which affect the way MCS is used, either as a knowledge oriented use, or a resources oriented use. This is further affecting what is considered a need situation, where the organization determine the perceived risk, and the valuation knowledge. These factors were then shown to have impact on the degree of formalization of the purchase of MCS. The degree of formalization would further affect who was participating in the reaction to the situation, being involved in the purchasing process and hence the need construction. Combined, the industry, the situation and the reaction affected the level of purchase, which is argued to correspond to be the last step in the need construction.

The second research question; "Who is involved in that need construction?" was shown to be dependent on the industry characteristics, the usage orientation, the situation and the degree of formalized purchased. As seen in the results, it was strongly correlated to formalization of the purchase, as low formalization of the purchase, consequently involved few actors within the organizations, as the decision and the process were centralized. In the case where the

formalization was high, the decision and the need construction involved more actors, as the decision was more decentralized. A strong correlation was seen in the results between the degree of formalization and the purchasing level, which had a great impact of who was involved with the purchasing process, and hence the need construction.

In conclusion, these studies indicate a better understanding of how the need is constructed in different contexts in terms of organizations and industries. The studies also shed light at who is involved in the need construction, from initiating a need to making the decision to purchase MCS.

### 6.1 Theoretical Contribution & Managerial Implications

With the conclusions made above, the study contributes to the aim of understanding how the need for management consultancy services is constructed as well as who is involved in that construction. Furthermore, the study contributes to both the theoretical fields of research filling the proposed research gaps adding to the management consultancy literature as well as the purchase of MCS literature. The study also contributes to the world of business by suggesting key learnings and insights for practitioners.

The main theoretical contributions of this study are grounded in the literature review and the research gaps which suggested that (i) what happens before the purchase of MCS occurs, the need construction of the purchase of MCS, has been given limited or no attention, and (ii) who is involved in the process leading up to the purchase, the need construction, has only been studied from the consultant perspective, or solely the manager's perspective, not including more actors in the studies. Based on this research gap, the study's primary contribution lies in the inclusion of more actors, being studied in three different contexts (e.g industries).

As the construction of a need in general is not found to have been theorized, this study aims with great insights that (i) the construction of a need to purchase MCS depends on the context (e.g industry) legitimizing the purchase of MCS, (ii) the construction of a need to purchase MCS varies depending on the usage orientation of the MCS, (iii) who gets to be involved with the construction of a need to purchase MCS depends on how formalized the purchases are within the buying organization, and (iv) the construction of a need to purchase MCS is strongly correlated to the purchasing level. The results of the case studies, as well as a comparison of

them, contributes a deeper understanding regarding how the need to purchase MCS is constructed and who gets to be involved. Due to the limited attention the need construction has been given in previous research, this study opens up a new field of research regarding need construction in the purchase of professional services.

Furthermore, the study contributes with important implications for organizations purchasing MCS as it shed light on how the need to purchase MCS is constructed and creates a better understanding of how the industry, the organization and the individuals within them play a vital role in how the purchase evolves. In detail, the study contributes with insights in regards to the importance of how one value knowledge as well as what risks are associated with the purchase of MCS, as this is shown to have major influence on the purchase level.

The study also contributes with important implications for management consultancy firms providing MCS as they gain deeper knowledge in how the need for them is constructed and who in the buying organization affect that need. This might lead to insight reading how to better meet those needs, and hence create better and more long lasting impact to the buying organization's need. Knowing how the need is constructed may contribute to a better relation between the client organization and the consultant, as the need (e.g the brief) is deeper investigated as where it origins and what has triggered the need, implying that a more well written need leads to a more successful outcome of covering that need.

## 6.2 Limitations

### 6.2.1 Respondents access

One of the limitations of this study regards the difficulty of gaining access to respondents. As the case studies requires a specific set of employees from set positions being involved in the purchase of MCS, from different organizations, from different industries, the sample size is slightly more limited than preferred. This even though measures were taken from the beginning as investigating the industries with the highest usage of management consultancy services. Another issue that could not be foreseen was the unpredictability of cancelled interviews due to organizational obstacles, where the study was down prioritized due to other obligations. The initial sample consisted of 36 respondents, within three industries, four organizations within each industry, interviewing three actors within each organization. This ended up being 34

participants as two respondents postponed the interview multiple times, to finally withdraw the initial participation.

#### 6.2.2 Lack of theoretical framework

As mentioned in the theoretical framework, even though a huge effort was made from the author, a theorized explanation of the need construction was not to be found. The lack of an explanatory framework for the need construction made the authors conform to a method where the theoretical framework was developed alongside the empirical data, as to understand and further guide the analysis in the aim of creating a better understanding of how the need to purchase MCS is constructed. Even though accordingly to the chosen method, the lack of a unified theoretical framework put limitations on the explanatory saturation to the analysis, even though the study contributes to a descriptive analysis in its current framework.

#### 6.3 Future Research

The conducted study consisting of three case studies, offers intriguing insights regarding a fairly uninvestigated topic regarding how the need to purchase MCS is constructed, and who is involved in that construction. Hence, the conclusion and limitations to the study open up for future research within the field.

Firstly, this study makes a first attempt in understanding how the need to purchase MCS is constructed, specifically understanding what dimensions are effecting the need, as well as who is involved in constructing the need. The study is of high descriptive value, which can be even further developed by future research on the topic, suggestively conducting a quantitative study on the correlation between the found dimensions in the need to purchase MCS.

Secondly, the current study focuses on providing a contextual understanding to how the need to purchase MCS is constructed, as conducting three case studies based on three industries. Hence, suggesting future research to focus on including more actors involved in constructing the need to purchase MCS. Suggested actors for such study would include representatives from the Unions operating within the different industries, the employees of the client organization as well as management consultants, as to include more actors in the understanding of how the need to purchase MCS is constructed. Such study would be of theoretical value as the context which

the need is constructed within, seem to play a vital role, hence gaining deeper understanding including more actors influencing the context.

Lastly, based on the results in the current study, it would be of theoretical value for future research to take a novel stamp in giving the construction of the need to purchase MCS, more attention. Theorizing the construction of the need to purchase MCS would be of managerial value for both the client organization as well as the management consultancy firm, as understanding the essence of the supply-demand relationship between them would offer intriguing and novel insights.



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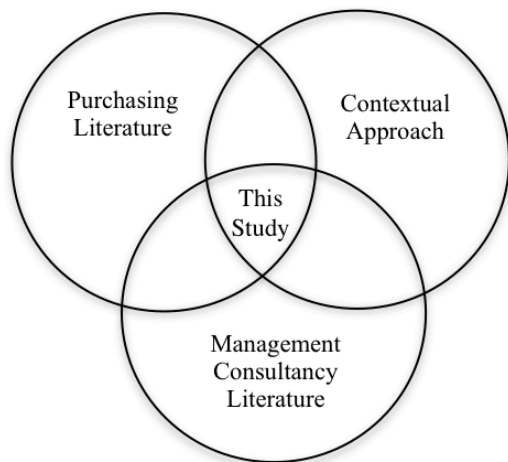
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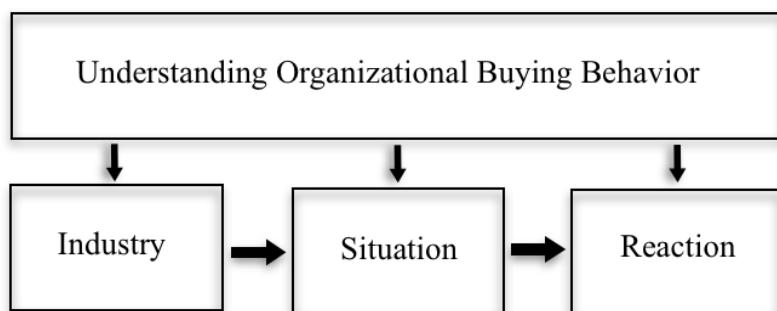
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## 8. Appendix:

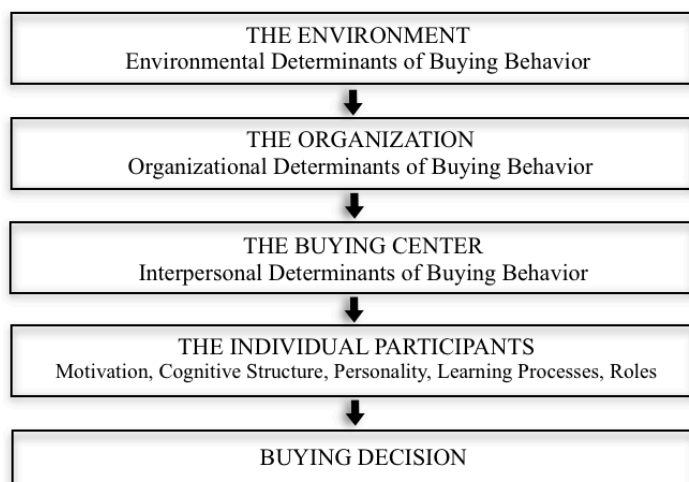
### 8.1 Models



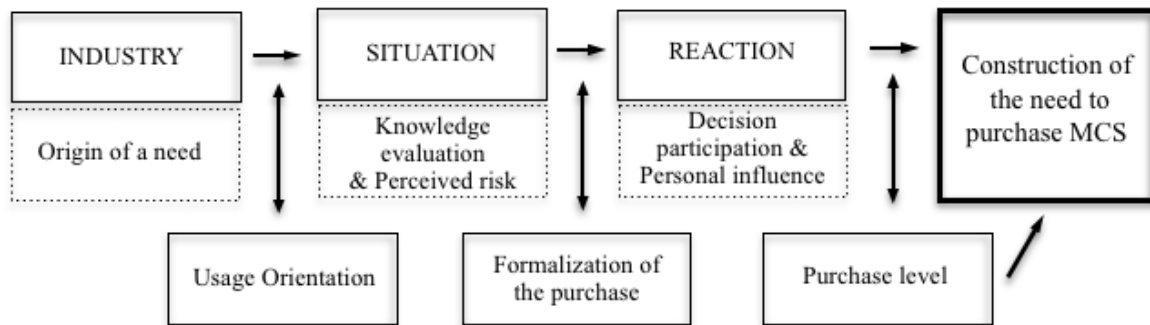
*Model 1: A Venn-diagram overviewing the research gaps*



*Model 2: Overview of the theoretical framework*



*Model 3: Understanding Organizational Buying Behavior*



*Model 4: A model describing the dimensions in the need construction to purchase MCS made by the authors*

## 8.2 Interview Guide

### Intervjumall:

Fråga om det är okej att spela in samtalet  
Fråga om önskad anonymitet

### Intervjuperson/Introduktion:

Berätta om dig själv

### Tema Organisationen:

Hur ser organisationsstrukturen ut?  
Hur definierar ni managementkonsulter?  
Hur mycket använder ni er av managementkonsulter?  
Vad har ni generellt för inställning till managementkonsulter?  
Vad är det vanligaste motivet till att ni anlitar managementkonsulter?  
Vad är effekten ni önskar uppnå med att ta in managementkonsulter?

### Tema Inköpet:

Hur ser inköpsprocessen ut?  
Din roll?  
Vilka och hur många är delaktiga?  
Vem tar initiativ?  
Är det någon som har mer makt än andra?  
Har ni en budget för konsulter?  
Längd på konsultuppdrag?  
Vem tar det slutgiltiga beslutet att ta in MK?  
Är alla överens?

### Tema Individnivå:

Vad är din inställning?  
Hur värderar du intern och extern kunskap?  
Har du upplevt några reaktioner hos medarbetare vid intagandet av MK?  
Ger eller tar det motivation att köpa in MK?  
Innebär det någon personlig risk?

*Hur tror du att behovet av MK konstrueras?*

*Är det något som du ser är värdefull information som jag inte har frågat dig om?*

### 8.3 Tables

|                        | <b>CEO</b>   | <b>HR-manager</b>   | <b>Purchasing-manager</b>  | <b>Industry</b>  |
|------------------------|--|---|--|--|
| Origin of a need       | Specific knowledge, discuss ideas, help with the <i>how</i> , reach goal, value for end-customer   | Specific & temporary knowledge, efficiency-support, cost-savings, experience, time, outside perspective                             | Temporary capacity, develop organization, time, guide ones thoughts, help with the <i>how</i> , man-power  | Low usage, want help with the <i>how</i> , <i>cost-conscious</i> , <i>know their business the best</i> |
| Decision participation | Always involved, initiator, decider  | Seldom involved, <i>can</i> initiate but usually do not, not part of the decision   | Seldom/never involved, <i>can</i> take initiative but usually do not, people <i>demonstrate</i> initiative, not part of the decision   | CEO usually the only one involved  |
| Personal influence     | Worked in industry <15 years, fragmented resumes, worked with/as mgmt. c., large network which they utilize, attitude is varied: good but sometimes overrated, expensive and creators of risk, need clear picture to hire, high barriers to purchase | Worked in industry >10 years, fragmented resumes, exclusively worked with HR, worked with/as MC positive attitude under conditions, | Worked in industry <5 years, fragmented resumes, worked in different fields, worked with/as MC., minority involved in purchase, skeptical attitude, orgs. Attitude good if strong incitement | Fragmented resumes, extensive experience,  |
| Risk                   | Cost, being perceived as a failure, the MC rhetoric, employee reactions, dissatisfying results, control, losing responsibility   | No proper follow-up, trusting MC too much, unions, loss of competitive advantage, losing responsibility                             | Trusting MC. too much, perceived as failure, cost, misuse, losing responsibility   | High risk in terms of cost and psychosocial  |
| Knowledge evaluation   | Value internal knowledge high, knowing their own business best, highly restrictive with external   | Value internal knowledge high, knowing their own business best, highly restrictive with external                                    | Value internal knowledge high  | Values internal knowledge high   |

*Table 1: Results from Case Study 1 The Retail Industry*

|                  | <b>CEO</b>   | <b>HR-manager</b>   | <b>Purchasing-manager</b>   | <b>Industry</b>                                  |
|------------------|--|---|---|--|
| Origin of a need | Lead change, strategy, competence, expertise, habit, benchmark, external perspective, prioritizing, time | Well-defined knowledge, lead change, efficiency, legitimizing, evaluate, laws and regulations | Expert knowledge, structure, benchmark, legitimizing, law and regulations | High usage, law & regulations driving the usage, |

|                        |   |   |   |  |
|------------------------|---|---|---|--|
| Decision participation | Involved, initiator, decider  | Involved, can initiate, can decide, overseeing the process  | Involved, can initiate, not involved in the decision, control function                                    | High involvement by all studied actors                             |
| Personal influence     | Worked in industry <15 years, fragmented resumes, worked with/as mgmt. c., skeptical attitude | Worked in industry >10 years, fragmented resumes, worked with/as MC., skeptical, cautious, necessary sometimes, cultural match is important | Worked in industry <5 years, fragmented resumes, worked in different fields, worked with/as MC, skeptical | Fragmented resumes, extensive experience,                          |
| Risk                   | Medium, becoming addicted   | MC do not match org,  | Hiring the right person, standardized models  | Overall low risk, but scared of becoming addicted                  |
| Knowledge evaluation   | Value internal knowledge high, see value in external knowledge focus on co-existence          | Value internal knowledge high, focus on internalizing knowledge, mindful of anxiety   | Value internal knowledge high,  | Values internal knowledge high but see value in external knowledge |

Table 2: Results Case Study 2: The Insurance Industry

|                        | CEO  | HR-manager   | Purchasing-manager   | Industry   |
|------------------------|--|--|--|--|
| Origin of a need       | Changes in environment, problem solving, structure, network, databases, temporary competence, finding problems, legitimacy, seconds opinion  | Changes in environment, Competence, specific knowledge, time, support for understanding  | Changes in environment, Competence, time, support for understanding    | Medium usage of MCS, changes in environment driving the usage                  |
| Decision participation | Always involved, initiator, decider,   | Often involved, initiator, decider   | Seldom involved  | CEO and HR involved in purchase and decision                                   |
| Personal influence     | Worked in industry <15 years, fragmented resumes, worked with/as MC, large network which they utilize, attitude varies with the individual mc, good when used the "right" way, inspiring | Worked in industry <10 years, fragmented resumes, exclusively worked with HR, worked with mc, positive if implementation is good | Worked in the industry their whole careers, both positive and negative | Fragmented resumes, extensive experience,                                      |
| Risk                   | Becoming passive, addiction, specification of goal, reactions, cost  | Losing internal processes, anchoring and transferring knowledge  | Specification of goal, reactions, cost, confidentiality, loyalty       | High/medium risk, scared of becoming passive and addicted, anchoring knowledge |
| Knowledge evaluation   | Value internal knowledge high, see value in external knowledge, important to anchoring knowledge   | Value both, anchoring knowledge, HR important role   | Value both,  | Value both   |

Table 3: Results Case Study 3 The Media Industry



|                        |                                   |                               |
|------------------------|-----------------------------------|-------------------------------|
| <b>Industry:</b>       |                                   |                               |
| Origin of The Need     | Drivers:                          | Low Margins                   |
|                        | Culture & Norms:                  | Not Legitimate to Use MCS     |
|                        | Usage:                            | <i>Knowledge Oriented Use</i> |
| <b>Situation:</b>      |                                   |                               |
| Knowledge Evaluation   | Knowledge Valuation:              | Internal                      |
| Perceived Risk         | Risk:                             | High                          |
|                        | Experience:                       | Low                           |
|                        | <i>Formalization of purchase:</i> | <i>Low</i>                    |
| <b>Reaction:</b>       |                                   |                               |
| Decision Participation | Decision Power:                   | Centralized                   |
| Personal Influence     | Participation:                    | Few Actors                    |
|                        | Personal Influence:               | By the CEO                    |
|                        | <i>Purchase Level:</i>            | <i>Low</i>                    |

Table 4: Analysis of the Case Study 1: The Retail Industry

|                        |                                   |                              |
|------------------------|-----------------------------------|------------------------------|
| <b>Industry:</b>       |                                   |                              |
| Origin of The Need     | Drivers:                          | Regulations                  |
|                        | Culture & Norms:                  | Legitimate to Use MCS        |
|                        | Usage:                            | <i>Resource Oriented Use</i> |
| <b>Situation:</b>      |                                   |                              |
| Knowledge Evaluation   | Knowledge Valuation:              | Internal & External          |
| Perceived Risk         | Risk:                             | Low                          |
|                        | Experience:                       | High                         |
|                        | <i>Formalization of purchase:</i> | <i>High</i>                  |
| <b>Reaction:</b>       |                                   |                              |
| Decision Participation | Decision Power:                   | Decentralized                |
| Personal Influence     | Participation:                    | Many Actors                  |
|                        | Personal Influence:               | Collective Experience        |
|                        | <i>Purchase Level:</i>            | <i>High</i>                  |

Table 5: Analysis Case Study 2: The Insurance Industry

|                        |                                   |                               |
|------------------------|-----------------------------------|-------------------------------|
| <b>Industry:</b>       |                                   |                               |
| Origin of The Need     | Drivers:                          | Technology                    |
|                        | Culture & Norms:                  | Legitimate to Use MCS         |
|                        | Usage:                            | <i>Knowledge Oriented Use</i> |
| <b>Situation:</b>      |                                   |                               |
| Knowledge Evaluation   | Knowledge Valuation:              | Internal & External           |
| Perceived Risk         | Risk:                             | Medium                        |
|                        | Experience:                       | Medium                        |
|                        | <i>Formalization of purchase:</i> | <i>Medium</i>                 |
| <b>Reaction:</b>       |                                   |                               |
| Decision Participation | Decision Power:                   | Centralized                   |
| Personal Influence     | Participation:                    | Concerned Actors              |

|  |                     |             |
|--|---------------------|-------------|
|  | Personal Influence: | CEO         |
|  | Purchase Level:     | Fluctuating |

Table 6: Analysis Case Study 3: The Media Industry

| Industry:              |                      | Retail:                   | Insurance:            | Media:                 |
|------------------------|----------------------|---------------------------|-----------------------|------------------------|
| Origin of The Need     | Drivers:             | Low Margins               | Regulations           | Technology             |
|                        | Culture & Norms:     | Not Legitimate to Use MCS | Legitimate to Use MCS | Legitimate to Use MCS  |
|                        | Usage:               | Knowledge Oriented Use    | Resource Oriented Use | Knowledge Oriented Use |
| Situation:             |                      |                           |                       |                        |
| Knowledge Evaluation   | Knowledge Valuation: | Internal                  | Internal & External   | Internal & External    |
| Perceived Risk         | Risk:                | High                      | Low                   | Medium                 |
|                        | Experience:          | Low                       | High                  | Medium                 |
|                        | Formalization        | Low                       | High                  | Medium                 |
| Reaction:              |                      |                           |                       |                        |
| Decision Participation | Decision Power:      | Centralized               | Decentralized         | Centralized            |
| Personal Influence     | Participation:       | Few Actors                | Many Actors           | Concerned Actors       |
|                        | Personal Influence:  | By the CEO                | Collective Experience | CEO                    |
|                        | Purchase Level:      | Low                       | High                  | Fluctuating            |

Table 7: Analysis Cross Case Study: All Industries

## 8.4 Quotes

### Quotes from Case Study 1: The Retail Industry

|   |   |
|---|---|
| 1 | "You need to know your own business the best, because if you don't you are out of the game. I see MC as a useful tool in knowing how to do something, going from A to B, left or right. But when it comes to strategy it's all us in the organization. That should never be constructed outside the organization. That's dangerous" |
| 2 | "We don't use MCS on a daily basis, but if we do it's because the matter is urgent, time pressure, where we don't have time to develop it in-house. That is often when needing help with digitalization, specific trends or likewise. When we need to move fast, it trumps the cost. Yet that happens very seldom"                  |
| 3 | "The need can also be as a consequence of lack of manpower within the organization. As if someone quits suddenly, or we need to gain knowledge fast"  |
| 4 | "Within retail, it's all about what reaches the consumer. I have a saying, that if the project does not bring clear defined value to the consumer, you shouldn't engage in that project. Everything needs to be in accordance to the value for the consumer"  |
| 5 | "I believe that the usage of MCS should and is, most of the time, an efficient support for management to know how to make cost savings, knowing where to cut down, and where to focus the efforts"  |
| 6 | "The project needs to be during a specific period of time, otherwise it costs way too much, and the consultant will of course never say no to more money"   |

|    |  |
|----|--|
| 7  | “Retail is all about low margins, why purchasing MCS is seen as a waste of money as you can do it internally, and hence the wrong decision can destroy a whole business model”   |
| 8  | “We use of MCS is when we stand at a cross road, not knowing where to turn. But we know that we need to develop somehow in order to stay competitive within the industry ”   |
| 9  | “I don’t want us over using MC, since the cost is hard to legitimize. That’s why, when we purchase MC, I am the only one involved. I want to make the decision in order to have control. Also I believe that I am the one who should to the purchase as I have the experience” |
| 10 | “MCS are never allowed to be within the budget. If we need that on such a regular basis, we’re doing something wrong”  |
| 11 | “I am rarely involved with the purchase of MCS. The only time I am involved is when it regards recruitment, an Interim-CEO for example”  |
| 12 | “The thing is that the union within retail is strongly against MC, they hate them. So every time we want to hire a MC, the Union goes against us, and we need to negotiate on two fronts”.   |
| 13 | “Well, of course, you <i>can</i> take initiative to hire a MC, yet that doesn’t really happen as we don’t need MC in that sense”   |
| 14 | “I have worked within the retail industry for 25 years. I have been at top positions at many companies, why I know a lot of people in the business, so if I need help, I always know who to talk to, or someone I know who I can talk to, that’s nice”.                        |
| 15 | “I have been a MC myself, that’s why I know both sides of the table, why I know how to talk to MC, how to set frames and how to control the project”.  |
| 16 | “I have worked within the retail industry for five years, and before that, I worked within the manufacturing industry and the financial industry for a while. But I have always been a HR-manager, or at least the latest 20 years”.   |
| 17 | “My resume is rather diverse. I started my career as a MC actually, where I worked towards the retail industry. After a large project I was recruited to work with HR questions, and I got stuck, and here I am today”   |
| 18 | “I am neither negative, nor positive. I can see both sides of them. Sometimes they bring value, but most of the time, they are just really expensive”  |
| 19 | “I have worked within different industries, almost never with the same thing for more than five years. Yet it has always had to do with purchasing of some kind”   |
| 20 | “I know that they can bring value, but my personal attitude is rather skeptical. As I consider them to be overrated and expensive”   |
| 21 | “The risk to purchase MCS is major. They are crazy expensive which doesn’t work with our industry where every krona counts. If failing a MC project, you risk losing you business as they are so expensive, and can make decisions based on the wrong things”                  |
| 22 | “There is of course a risk that the purchase signals some kind of incompetence as you, as a manager, should know how to run your company, without asking someone in a fancy jacket. Sometimes there might be a risk that you becomes received as being incompetent and lazy”   |
| 23 | “Consultancies such as xx are nothing to have, as they think that they can walk in and force our problem into their set model which they force on everyone independent on the problem really. I don’t like that at all”  |
| 24 | “There’s always a risk that the knowledge doesn’t become integrated within the organization, and leaves with the consultant”   |
| 25 | There’s a huge risk with the Unions if they don’t stay updated with how people want to work. If they continue to be negative towards consultants, I believe that they will increase the industrial risk”   |

|    |   |
|----|---|
| 26 | "You are in great danger if you start trusting the MC more than you trust yourself. Then you stop feeling responsibility, and then you really don't have anything to contribute with"   |
| 27 | "I have experiences CEO's who have been cowards as they use MC to deliver bad news, to fire people or to deliver unpopular decisions. That's a real misuse of them"   |
| 28 | "We are nothing without the internal knowledge, then we don't have an organization at all. But sometimes I can see the value to gain the external perspective on things, broaden the view"  |
| 29 | "There are no negative reactions really, that's because we are very picky with investigating the internal resources before making a purchase. So when we do purchase MCS, all employees know why and there is a coherent view that the knowledge is needed" |
| 30 | "Internal knowledge is everything, but I can see the value in external knowledge as it would give that outer perspective on a matter, which can be hard to see in the organization, as you remain focused on the daily tasks and rarely raise you head"     |

### Quotes from Case Study 2: The Insurance Industry

|    |   |
|----|---|
| 1  | "We use MC on a daily basis, so it's very seldom I actually initiate projects. The MC often contact us, and we keep using the MC within the organization"   |
| 2  | "The thing is, we could do the things that the MC do, it's just that it would take a longer time, and it would make us as flexible as we need to be, to follow the changes in the environment"  |
| 3  | "The MC often acts as someone structuring our own thoughts. We often know what to do and where to be, yet the MC has a desired way of structuring it, making it more clear"   |
| 4  | "There are so many regulations going on in our industry, which we all have to adjust to. They are good regulation, but we often end up needed quick knowledge to change our business accordingly to the regulations"  |
| 5  | "It would be totally unsustainable if all decisions went through me, then I would be occupied with decisions all day"   |
| 6  | "If the decision to purchase is within your budget, than the manager can make the decision, but if not, you need to run it through the CEO, or someone else responsible at the purchasing department, then you need a really good reason why you want to purchase MC"   |
| 7  | "My role is involved in the whole process, I make sure that all steps are taken in accordance to our process structure, as well as making sure we get a good deal, negotiating with the MC firm"  |
| 8  | "The process should always go through the purchasing department. But sometimes when there is a high time pressure on the matter, decisions are being made outside the purchasing departments. Of course, that's not the preferred way, but it happens. It can also be if a manager knows someone of have special preferences regarding a specific consultant, in that case the decision can be made outside". |
| 9  | "When purchasing IT consultants for example, they go through the purchasing department, but when it comes to MC, it's often such a specific request, that it needs to be taken care of manually in order to get the specification right"  |
| 10 | "I see a need of standardizing and formalizing the purchases of MCS even more, as then we can control the cost, and the time and the frames to a larger extent. There are many benefits included in the standardization".   |
| 11 | "They can often think: how hard can it be to purchase the right MCS, I know a guy".   |

|    |   |
|----|---|
| 12 | "I have worked within the insurance industry for a long time, not always for the same company, but it has always been insurance"  |
| 13 | "They just want to be able to say: I helped the new CEO with his new strategy",<br>"They call themselves management consultants just to get paid more".   |
| 14 | "I have worked within a lot of industries where I have been HR-manager, HR-assistance and HR-controller"  |
| 15 | "The MC must share our vision and our culture, otherwise it will be bad for all actors involved as we will have different views and vision"   |
| 16 | "I have been a MC, working with purchases, then I got recruited here"   |
| 17 | "Way too many times, I have experienced MC walking in to organizations, creating a change, and then leaving too fast. This leaved the organization with nothing as the knowledge doesn't become integrated and implemented".                                      |
| 18 | "MC knows exactly what to do to make us become addicted to them. They stick to the organization and never leave. I am sure that it's their strategy. That's why you need to have total control over the process".   |
| 19 | "If a MC just walk in without a warning from the organization, of course they become anxious and worried"   |
| 20 | "Applying these set models for change and so on, they never work, they are written in a fancy power point but they never work in real life, they need to be adjusted to the cause"  |
| 21 | "Of course I value internal knowledge the highest as we don't have an organization without it. It's our core business and core value."  |
| 22 | "It's important that you create a learning organization, where employees learn how to co-exist with external knowledge, and internalizing that knowledge".  |
| 23 | "My biggest mission is making sure that the internal knowledge gets integrated in the organization"   |
| 24 | "I really feel that the organization value internal knowledge, I think that it is an important feature that the organization value the internal resources more, and provide them with career paths and opportunities to grow and develop within the organization" |

### Quotes from Case Study 3: The Media Industry

|   |   |
|---|---|
| 1 | "Technology has changed our business drastically the last 20 years. The technology changes every five year in a drastically matter, which affect how consumers of our product prefer it"                  |
| 2 | "Sometimes you use MC to gain legitimacy in a question, that someone else agree with you, like a second opinion. It can be the two as the same time, or separately".                                      |
| 3 | "Due to all the changes in the environment, we need to fundamentally change our business, and that we need help with as to benchmark"   |
| 4 | "We need help with meeting the changes in the environment"  |
| 5 | "We are in business as there is a demand to meet, but if that demand changes, we need to change accordingly. This is often the case when things happen with internet, like Facebook news and such things" |
| 6 | "It if often me and the HR-manager who is involved, as I stand for the strategic perspective and the HR-manager for the human resources perspective"  |
| 7 | "I often use my network when purchasing MCS, if I know someone and has worked with someone I tend to use that person. I really need to trust the MC I am working with"                                    |
| 8 | "It's my job to make sure that we only the purchase the knowledge that we don't already have within the organization. We need to be smart in that sense".   |

|    |  |
|----|--|
| 9  | "I really like talking with the Union, because they sometimes highlight the possibility of developing the knowledge internally, or pointing out that employee xx might already have that knowledge."                               |
| 10 | "Purchasing MC is a really complex task, and that process can't be standardized in my eyes, then you get the wrong person. Since we only use MC during specific periods in time, I don't focus that much on that type of purchase" |
| 11 | "I have worked within the media industry for 30 years now. And I love it. I have worked at the biggest media houses, hence I know a lot of people in the industry"   |
| 12 | "I know some MC which I have a personal relation to, we usually have lunch every now and then. If having the right person for the right price, I consider it good"   |
| 13 | "They need to be used in the right way, not making decision, rather provide you with information so you yourself can make the decision"  |
| 14 | "Of course it is tempting, calling someone smart to get expensive advise from talented people, its always fun to learn new things"   |
| 15 | "I have worked with a lot of MC during my time within this industry. Always as a result to changing environmental factors"   |
| 16 | "You can't really blame the consultant for a failed project, you need to make sure that the knowledge gets integrated in the organization".  |
| 17 | "I have always worked with purchases"  |
| 18 | "You can never relax when purchasing MCS, because that will make you passive, and you start believing that someone else can run your business"   |
| 19 | "If you outsource too much, you lose vital functions in the organization. Such as the employee's motivation to innovate and come with new ideas. If the employees don't grow within the organization, they will out-grow it".      |
| 20 | "You need to write the confidentially in detail, otherwise you risk losing competitive knowledge as the consultant moves on to the next organization"  |
| 21 | "I prefer internal knowledge as it is faster and cheaper"  |
| 22 | "It's impossible keeping all necessary knowledge internally, as the environment change, you also need to be able to change"  |