



RESEARCH ARTICLE

# Acquiring knowledge through management consultancy: a national culture perspective

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## Abstract

This paper examines how national culture informs the sourcing of management knowledge through external consultancy. First, it hypothesises and compares the relationship between quantitative measures of Hofstede's cultural indices with adjusted expenditure on consulting in nine countries. Two cultural indices are found to correlate with consulting use – power distance (negatively) and individualism (positively). However, the disparity between our findings and prior research suggests limitations of generalisation in studies solely employing quantitative cultural indices to understand the purchasing of business knowledge. We therefore propose the use of supplementary, qualitative data with sensitivity to local contexts and briefly apply this by using secondary sources to provide historical narratives for two countries – the UK and Japan. Overall, we find and tentatively explain significant statistical relationships between Hofstede's cultural indices and adjusted expenditure on consultancy. We then draw attention to wider implications for consulting research and for practitioners involved in this context.

**Key words:** Hofstede; management consultancy; management knowledge; national culture; professional services

## Introduction

Managers have long sought to develop competence through diverse means such as training, recruitment, joint-ventures and using external professional service firms (Monteiro & Birkinshaw, 2017). One of the leading and growing sources of management knowledge is management consulting. This sector has particular relevance for management and organisations not only because of the extent of its use (SGR, 2020), but also the ambiguous and uncertain status of management knowledge makes it difficult to buy (ISMO, 2013). Although the importance of consulting as a source of knowledge is often stressed (Mosonyi, Empson, & Gond, 2020), few studies examine the considerable international variation in its use (cf. Sturdy and O'Mahoney, 2018). Exploring this phenomenon is important for three reasons. First, theoretically, dominant approaches such as transaction cost economics (TCE) or agency theory assume that the use of consultants is a rational calculation between the costs of purchasing knowledge versus developing it in-house (e.g., Canback, 1999). If it can be shown that the use of consultants is influenced by culture then this helps problematise rationalist assumptions. Second, following this, examining and revealing national differences in knowledge acquisition might provide buyers with reflexive insights into their own and others' preferences and prompt the consideration of alternatives. Finally, for knowledge producers seeking to internationalise, it may be useful to better understand the cultural influences on their competitive positions in new and established markets.

Although still overlooked in what is a largely universalist discipline, management, the existence of national variation in purchasing generally (Karjalainen & Salmi, 2013) and the role of national

culture specifically in influencing purchasing decisions (Cannon, Doney, & Mullen, 2010) is well established. That national culture *might* have an impact on the purchasing of *management* knowledge is also indicated by studies that suggest that it shapes buyer behaviour (Cagliano, Caniato, & Golini, 2011; Cannon, Doney, & Mullen, 2010; Pagell, Katz, & Sheu, 2005). Yet, when it comes to the impact of national culture on the purchasing of management consultancy in particular, insights are only just emerging and are sometimes contradictory. For a long time, studies tended to emphasise the 'rational choice' that managers might make between the relative costs and benefits of 'make or buy' decisions with management knowledge (Armbrüster, 2010; Saam, 2012) or the occupational or organisational politics of both knowledge and its sources through the legitimacy they can provide (McKenna, 2006). Where culture *was* highlighted in studies of consulting, it tended either to be based upon single case studies (Kipping, 2002; Kipping & Saint-Martin, 2005; Wright & Kwon, 2006) or was mentioned in passing in macro-level studies (Ruef, 2002; Wood, 2002). As one of the few relevant studies asserted, 'one of those "unfinished" works is the analysis of culture in management consulting practice' (Mohe, 2008, p. 42). However, interest has grown in recent years with the inclusion of culture in a generic framework of national variations in consulting use (Sturdy & O'Mahoney, 2018) and two quantitative studies comparing cultural measures with consulting expenditure (Barthélemy, 2020; Perner, Sieweke, & Werr, 2018). The latter have enhanced our empirical, comparative understanding. However, there are contradictory findings, a focus on only a small number of cultural factors and no qualitative analysis to explore the findings in socio-historical context.

This paper, therefore, examines further how national culture relates to the acquisition of management knowledge. We use the management consulting industry as our focus for three reasons. First, theoretically, many of the rationalist approaches to 'make or buy' decisions in management studies focus on the purchasing of consulting services in-house (e.g., Armbrüster, 2010; Canback, 1999). Second, in the context of professional services, consulting is an 'extreme' case (Perner, Sieweke, & Werr, 2014, p. 2) given its high levels of uncertainty in form, process and outcomes (ISMO, 2013). Third, with revenues of over \$250bn a year and, until COVID-19, annual growth of around 9% (SGR, 2020), the industry has become a significant conduit for external management knowledge. As a consequence of this proliferation, there is significant, although as we shall see, contested, data available which makes the industry a focus of many academics as well as practitioners.

In terms of contributions, our paper first addresses calls to show *how* culture matters in sourcing management knowledge in general and in relation to consulting specifically (Pagell, Katz, & Sheu, 2005, p. 388; Perner, Sieweke, & Werr, 2018). For example, the paper responds to the need to 'link the development of consulting markets to characteristics of national cultures [by] building on (and testing) the established models such as Hofstede's' (Kipping & Wright, 2012, p. 169). Our finding of statistically significant relationships between two of Hofstede's indices and adjusted consulting expenditure is important, not only because it has positive findings which will be of interest to both cultural and purchasing theorists, but also because of the negative findings which, as we discuss, may surprise some academics in consulting studies. Our second contribution is explanatory: suggesting explanations of identified relationships by drawing on wider literature studies on culture, knowledge and consulting. Here, we also illustrate and contextualise the statistical relationships by briefly drawing on historical qualitative data from secondary sources. As we discuss, this highlights the limitations of both the 'rationalist' and political approaches to sourcing decisions when examined from a comparative perspective. Our final contribution is for practitioners, whether consultants, clients or policy makers, in understanding how different cultural themes influence preferences for different sources of knowledge.

The paper is organised as follows. First, we explore the relation of national culture to management advice, positioning the effects of culture as a *complementary*, rather than competing, explanation to those in extant theorising. Second, we critically evaluate the use of Hofstede's cultural indices as a proxy for national culture and generate hypotheses linking these to sourcing management consulting. Third, we analyse data from nine countries and show that two out of

five of Hofstede's dimensions significantly correlate with consulting spend. Fourth, and uniquely, we provide a brief socio-historical discussion of the UK and Japan to contextualise the relationships we have highlighted statistically. Finally, we conclude by outlining the wider implications of our analysis.

## National contexts, culture and management knowledge

### *The rationality and politics of demand and supply*

The recognition of management knowledge as an area of competitive advantage has drawn attention to how it is sourced (Volberda, Van Den Bosch, & Heij, 2013). Consequently, there has been a corresponding growth in exploring the appropriation of management knowledge whether through in-house development or its acquisition externally (Monteiro & Birkinshaw, 2017). Traditional approaches to understanding the sourcing of management knowledge have focused on the internal 'make or buy' decision. Using TCE or agency theory, for example, it is assumed that managers make a more or less rational calculation between the costs of purchasing knowledge on the market, against developing it in-house (e.g., Canback, 1999). These accounts are mostly concerned with efficiency and costs. However, there is also a consideration of opportunism by buyers and providers (Armbrüster, 2010) and of the occupational legitimacy of external knowledge for political advantage (Jones, 2019).

Complementary studies have sought to flesh out our understanding by considering those factors which affect the demand and supply of management advice (see also market research studies such as Kennedy Information, 2010). On the demand side, economic 'development' and growth are important (Barthélemy, 2020), as are client size (Kipping & Armbrüster, 1999), internationalisation (Wood, 2002), environmental changes (Engwall, Alvarez, & Amdam, 2001), sector context (Sturdy & O'Mahoney, 2018) and the type of sourcing used, and problems faced (O'Mahoney, Heusinkveld, & Wright, 2013). These, in turn, are linked to mediating or secondary factors – for example, as firms grow, they often require more advice on regulatory requirements. The variety and quantity of sources of management knowledge such as professional associations, government bodies and business schools are not only important in influencing client sourcing (Faust & Schneider, 2014), but also vary internationally (Engwall, Kipping, & Üsdiken, 2016; Ruef, 2002).

### *National frameworks and the positioning of culture*

Contrary to rationalist approaches to decision-making, claims to 'rationality' can rarely be generalised out of a local context (Nicolai & Klein, 2010). For example, the US origin – or 'dominance effect' – of many management ideas has caused them to be embraced in the UK (McKenna, 2006), but rejected as 'neo-imperialist' in Quebec (Chanlat, 1996). Indeed, contrary to traditional TCE, the high costs of some consulting firms act as a signalling effect and increase demand for their services (Armbrüster, 2010). Thus, as 'rationality' appears (partially) culturally specific, we need to consider the wider social and national contexts of decision-making (Cagliano, Caniato, & Golini, 2011). Within organisations, these social contexts are associated with societal effects: 'unique national institutions, cultures, and histories' (Sergi & Hallin, 2011, p. 199). Such a focus was complemented by attention to regional variations of 'business systems' or varieties of capitalism (Whitley, 2000), where a variety of factors, such as a neo-liberal economy (McKenna, 2006; Ruef, 2002) or business-orientated education system (Faulconbridge, Beaverstock, & Hall, 2009; Kipping & Wright, 2012) make the purchasing of consulting more likely (Sturdy & O'Mahoney, 2018).

From this wider perspective, culture is an important factor. In seeking to explain the persistent difference in the use of consulting between Northern and Southern Europe for example, Kipping and Armbrüster (1999) point to 'some very deep "cultural" and historical factors' based on religious traditions. Such differences are also linked to preferences around management innovation

(Cagliano, Caniato, & Golini, 2011) and particular forms of knowledge (Waarts & Van Everdingen, 2005). Studies of operations management and purchasing have increasingly pointed to national culture as an important factor in influencing buying behaviour (Cannon, Doney, & Mullen, 2010; Pagell, Katz, & Sheu, 2005). Perner, Sieweke, and Werr (2014), for example, show clearly how the different purchasing *stages* can be shaped by various elements of national culture, but they do not explore the relationship with purchasing volumes or use overall, and focus only on two countries.

In recent years, calls for a systematic attempt to explore the link between national culture and the purchasing of management advice across several countries have begun to be addressed (Kipping & Wright, 2012; Mohe, 2008). First, Perner, Sieweke, and Werr (2018) carried out two European studies in parallel, one using survey data on manufacturing firms' consulting use and the other national expenditure figures, both of which were compared with three of Hofstede's five dimensions of culture (see discussion below). Second, Barthélemy (2020) compared national consulting use in Europe and North America with two national cultural dimensions and economic development. They found interesting, different and partially conflicting results, but both confirmed the importance of culture in explaining the use of management consultancy, above and beyond economic factors, such as development (also Sturdy and O'Mahoney, 2018). Each study had a particular focus – uncertainty in the case of Perner, Sieweke, and Werr (2018) and, similarly, risk reduction with Barthélemy (2020) – and adopted a quantitative, macro approach across nations, which is novel in consulting research. We seek to build on this research in three ways.

Theoretically, and following the call from Barthélemy (2020, p. 194), our focus is on *knowledge* and its relationship with national culture. This is not unrelated to the foci of uncertainty or risk reduction followed in the other studies, but is clearly linked to a central feature of consultancy services. We pursue this by exploring all five of Hofstede's dimensions. In so doing, we go beyond existing methodologically similar studies (Barthélemy, 2020; Perner, Sieweke, & Werr, 2018). Barthélemy (2020) used the GLOBE project to look at two national culture dimensions of 'performance orientation' and 'uncertainty avoidance'. Perner, Sieweke, and Werr (2018) focused on Hofstede's three dimensions of 'uncertainty avoidance', 'individualism' and 'masculinity'. Empirically, both Perner, Sieweke, and Werr (2018) and Barthélemy (2020) note the limitations of looking only at Europe and, in Barthélemy's case, North America as well, and call for research that extends further, particularly to Asia; we address this through incorporating data on Japan, India and South Korea.

Methodologically, although, like Perner, Sieweke, and Werr (2018) and Barthélemy (2020), we also perform quantitative comparisons, we supplement these with some qualitative contextualisation of selected findings. In part, this addresses what Perner, Sieweke, and Werr (2018, p. 322) recognised in their methodology as not being able to 'verify [the] conceptual relationships' they found. Indeed, comparative research may have long assumed the superiority of quantitative techniques, but there are increasing calls for the incorporation of qualitative approaches that engage flexibly with local cases to help explain how they compare, and why. In particular, a search for causal explanation of similarities and differences in past data will be incomplete without a consideration of the historical context that offers insights beyond, say, national averages and the limitations of GDP as an indicator of economic development (May, 2011, p. 259). Here, methodological commentators advocate the use of mixed approaches, like cross-case and within-case qualitative comparisons (Mahoney, 2007) and building contextualisation into quantitative research designs to explain conflicting findings (Grant & Wall, 2009). Therefore, we combine our correlations between consultancy spending across nations and cultural dimensions with a brief qualitative, secondary data-based contextualisation of the UK and Japan. Our choice of these countries is driven by the contrast in our findings between them (Grant & Wall, 2009). Although space limitations preclude a qualitative engagement with all our cases, our account stays close to the differences and similarities; responding to Sayer's call for connecting local understandings instead of viewing them as detached and unrelated (2000, p. 75).

### Cultural measures: potential and limits

Our approach allows for a systematic cross-national comparison, while recognising its nature and limits. There are three well-tested sources of data measuring national cultures: Hofstede, the World Values Survey (WVS) and Globe<sup>1</sup>. Globe has a *leadership* focus, was primarily designed to link national culture to leadership. WVS is much more general, relating to a variety of social measures (e.g., ‘happiness level’) that are not intended as proxies for national culture. Our preference here is to use Hofstede’s (1980, 2001) classic, if controversial, cultural dimensions. These were initially based upon surveys with IBM employees, generated first four, and then five, dimensions, along which national cultures varied (see below). Hofstede has over 40 years of use in research with more than 21,000 articles written and has inspired similar approaches (e.g., Trompenaars and Hampden-Turner, 1998). Yet, Hofstede’s and related work have also attracted much criticism. For example, it has been argued that his work contains methodological flaws which limit its analytical power (Lung-Tan, 2006; McSweeney, 2002; Smith, 1996); that the development of the dimensions is flawed (Trompenaars and Hampden-Turner, 1998; Venaik & Brewer, 2016); that it simplifies the complexity of national characteristics (Ghemawat, 2001); and has led to contradictory findings (Berry, Guillén, & Zhou, 2010).

Despite these criticisms, we align ourselves with those academics that have defended Hofstede (Kirkman, Lowe, & Gibson, 2006; Williamson, 2002) for three reasons. First, *reliability*. A study which systematically compared a variety of cultural measures suggests that Hofstede’s model still has considerable value (Magnusson, Wilson, & Zdravkovic, 2008), and another systematic review argued that studies ‘have sustained and amplified [Hofstede’s] conclusions rather than contradicted them’ (Smith & Bond, 1998, p. 56; also see, Søndergaard, 1994). Hofstede’s original data have been supplemented with new countries, data and indices from both his own work (Hofstede, 2010) and that of others (Minkov & Hofstede, 2011), and his results have been replicated in a number of identical, but also correlating, surveys over the last 40 years (Smith, 1996), not least from Minkov’s work with the WVS (Hofstede, 2001). Where there have been theoretical flaws, such as with early measurements of long-term orientation, or the addition of a new index, Hofstede has tended to amend his theorising<sup>2</sup> (Minkov & Hofstede, 2011). Indeed, Hofstede’s dimensions continue to be cited and used, including, as we have noted, in recent studies on consultancy (Pemer, Sieweke, & Werr, 2018).

Second, and relatedly, *correspondence*. Hofstede had been used in more studies that are similar to our own. For our purposes, Hofstede is superior because his respondents are managers, rather than the general population, and thus closer to the decision-makers we seek to study. Importantly, De Mooij and Hofstede (2002) showed relationships between the cultural indices of Hofstede (2001) and management-purchasing decisions. Third, *availability*; the measures of culture were available in the same year as those of consulting use. The 2004 data that are available for globe was matched by fewer available sets of data for consulting use.

Although we share a concern with critics over the age of the data on which it is based and its ethnocentrism (Johnson, Head, & Sorensen, 1989), this does not invalidate a careful and reflexive use of his work (Magnusson, Wilson, & Zdravkovic, 2008; Minkov & Hofstede, 2011). Therefore, one critique of Hofstede that we especially take on-board is the argument that by themselves, Hofstede’s cultural dimensions cannot explain, but only correlate with, national variations. Indeed, we acknowledge that an absence of correlation may simply mean that causal processes have, for example, cancelled out a positive and a negative effect. In overcoming these limitations, we side with those who argue that a review of extant field-level theorising and case-study

<sup>1</sup>There are other sources, which are often developed for consultancy, rather than academic, purposes, such as the Barrett National Values survey. However, these are often much more simplistic and geared towards changing cultures rather than describing them.

<sup>2</sup>However, this ‘evolutionary’ approach to the data set and structure means that the indices are sometimes a mix of different sources and dates.

illustrations should complement statistical analyses to help provide an explanation of how and why variables come to be related (Pawson, 2006). Indeed, as noted earlier, we shall use short case studies to contextualise the relationships that we discover, but first, below, we review the literature for empirically informed theories that might help explain any correlation to develop hypotheses linked to Hofstede's dimensions.

### **Uncertainty avoidance (UA)**

Hofstede defined UA as: 'the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. Strong UA societies...are intolerant towards deviant persons and ideas' (1980, pp. 17–18). The issue of uncertainty is also a dominant theme in consulting research (ISMO, 2013). Management consulting, through its expertise and legitimisation role, especially concerning risk, is seen as a promise of client certainty (Huczynski, 2012; O'Mahoney, 2007). For example, a raft of 'predictive' consulting tools, such as scenario planning and business modelling, are commonly purchased by organisations to help 'beat the future' (Mohe, 2008) by reducing the perceptions of the risks of an uncertain, open business environment (Barthélemy, 2020). Similarly, the legitimisation effect of consultancy can manage uncertain stakeholder expectations (Bergh & Gibbons, 2011) and client managers may sometimes turn to consultants for certainty at a personal level to combat their own insecurities (Sturdy, 1997). Moreover, as client organisations grow in size, they are frequently subject to new uncertain regulatory controls, and result in searches for knowledge elsewhere (McKenna, 1995). However, as noted earlier, consultancy can also bring uncertainties and insecurities to an organisation (Czarniawska, 2013) which potential clients may anticipate and seek to avoid. For example, in an expose of consulting practice, Pinault (2009) argues that consultants deliberately focus on client weaknesses to 'diagnose and amplify their client's...worst fears' (p. 168) in order to generate higher sales (also Sturdy, 1997). Once work commences, there are further uncertainties concerning the work that is being delivered and the lack of professional boundaries (Armbrüster, 2010). Thus, in high UA cultures, this threat of instability may cause managers to control work in-house and to distance themselves from the relatively unknown realm of outsiders and external knowledge (Menon & Pfeffer, 2003). Therefore, the literature is ambivalent overall, suggesting that consultancy can both help avoid and magnify uncertainty. This is borne out in the recent research discussed above, where both negative (Pemer, Sieweke, & Werr, 2018) and positive (Barthélemy, 2020) relationships are found between consultancy use and UA, with alternative explanations offered. Thus, we investigate both possibilities and hypothesise as follows:

**Hypothesis 1:** There is a relationship between the level of a nation's UA and the use of management consultants.

### **Power distance (PD)**

Hofstede defines PD as: 'the extent to which a society accepts that power in institutions and organizations is distributed unequally' (1980, pp. 17–18). High levels of PD manifested in organisations are reflected in respect shown for traditional, hierarchical authorities. This would not seem amenable to the traditional 'leverage' model of consulting where often young, inexperienced graduates generate advice. Indeed, as Shi, Sia, and Banerjee (2009) argue, the perceived validity and legitimacy of knowledge is closely related to the levels of *formal* power that the source of that knowledge holds within the company, which would be very low with most management consultants. Also, as studies have shown that high PD contexts tend towards autocratic, non-participative forms of management (Newman & Nollen, 1996), we might extrapolate that turning to outsiders might be equally frowned upon. Furthermore, power 'needs less legitimization' from other sources in high PD contexts (Pagell, Katz, & Sheu, 2005: 376). At the same time, a low trust of subordinates might lead high PD senior managers to turn to alternative and high-status sources of expertise. However, an interesting perspective here, is provided by Husted,

Gamelgaard, and Michailova (2005) who argue that companies with high PD norms tend towards 'knowledge hoarding' for fear of depleting their power by sharing information with 'knowledge parasites'. Given consultants' critical depiction as both parasites (Clegg, Kornberger, & Rhodes, 2004) and as professionals that 'steal the clients' watch to tell them the time (Kihn, 2006), one might expect this antagonistic attitude to extend to the use of consultants. This also fits with Hofstede's (1993) own view that in *low* PD companies, managers seek greater equality and are more likely to delegate responsibilities and decision-making. This might make them more likely to use consultants. Given these arguments, overall, we hypothesise that:

**Hypothesis 2:** Cultures with high PD are less likely than those with low PD to use management consultants.

### **Individualism**

Hofstede defined individualism as: 'the preference for a loosely knit social framework in society wherein individuals are supposed to take care of themselves and their immediate families only. Its opposite, collectivism, stands for a preference for a tightly knit social framework in which individuals can expect their relatives, clan, or other in-group, to look after them in exchange for unquestioning loyalty' (1980, pp. 17–18). Collectivist societies then, tend to be more suspicious of those outside their groupings (Cannon, Doney, & Mullen, 2010; Pagell, Katz, & Sheu, 2005). As outside experts, consultants are likewise, often associated with a 'burden of otherness' (Kipping and Armbrüster, 2002, p. 221), especially if they come from another country. At a more general level, culture melds with other contextual variables so that individualism for example, is associated with 'free' markets, while collectivism fosters institutions and practices which value social networks and extended family as sources of business knowledge. This appears to be true not only of business knowledge but also of advice (Bhagat, Kedia, & Harveston, 2002). In the words of Triandis (1995, p. 118) for example, 'collectivists go to... relatives and work supervisors [and] individualists tend to seek the advice of professional therapists and counsellors'. Similarly, Michailova and Hutchings (2006) found that high levels of collectivism relate to a propensity for sharing knowledge *within* organisations and lead to difficulties in the transfer of management knowledge by external Western experts. However, some have shown that individualism is *negatively* related to consulting use, not directly, but through generating different types of uncertainty, associated with opportunism and dependence on others for example (Pemer, Sieweke, & Werr, 2018).

In addition to influencing the willingness to use external consultancy, culture may explain preferences for the types of knowledge. For example, Bhagat, Kedia, and Harveston (2002) argued that businesses in individualistic cultures were more comfortable with the explicit formal knowledge that consultants develop and sell. Similarly, Hofstede (1993) suggests that the management ideas that have emerged from the USA are typically highly individualistic (also, Huczynski, 2012). In fact, the occupational culture of consulting has been described as having low levels of collectivism, especially with regards to knowledge sharing (Furusten & Garsten, 2005). Given that some measure of cultural compatibility is usually conducive to knowledge flow (Sturdy, Handley, Clark, Fincham, 2009), consultants might be used more in countries that have similar individualistic practices and ideologies. Therefore:

**Hypothesis 3:** Cultures that are highly individualistic are more likely than collectivist cultures to use management consultants.

### **Masculinity**

Hofstede defined masculinity as: 'the preference in society for achievement, heroism, assertiveness, and material success. Its opposite, femininity, stands for a preference for relationships, modesty, caring for the weak, and the quality of life' (1980, pp. 17–18). In the business environment,

managers in 'masculine' countries such as Japan tend towards 'hard' management styles, valuing pay and careerism, prioritising work over family, and often have a fear of appearing weak or incompetent (Hofstede, 2001).

It is difficult to find explicit links between masculinity and the propensity to use consultants. There is some evidence that individuals from masculine cultures, such as China or India, do not want to appear weak and are therefore less likely to ask for help than those from feminine cultures such as Scandinavia (Siakas, 2002). Moreover, some evidence suggests that western masculinity, at least, renders people less likely to ask for help in general (Oliver, Pearson, & Coe, 2005). This may be especially true if requesting help exposes a client manager's own weaknesses (Sturdy, 1997). However, as we noted with individualism, culture need not be solely linked with consultancy in terms of a preference for seeking outside help, but also with the form of this help. In particular, although feminine forms of consulting, such as process traditions do exist (Marsh, 2009), the competitive culture of much consulting and the modernist or rationalist form of its knowledge base resonates with images of masculinity (Morgan, 1998). Indeed, Perner, Sieweke, and Werr (2018) found a positive, but not significant relationship between masculinity and consulting expenditure. As there are arguments in both directions, we hypothesise that:

**Hypothesis 4:** There is a relationship between the masculinity-orientation of a culture and its use of management consultants.

### **Long-term orientation (LTO)**

'Long-term orientation stands for the fostering of virtues orientated toward future rewards – in particular, perseverance and thrift. Long-term orientation stands for the fostering of virtues related to the past and present – in particular, respect for tradition, preservation of "face" and fulfilling social obligations' (Hofstede, 2001, p. 210).

There are several reasons why LTO may disincline clients to use consultants. First, companies with an LTO are believed to pursue strategies that respect tradition, to resist change and to value characteristics such as high trust, company loyalty and long careers (Hofstede, 1993). For this reason, we might expect them to trust insiders more than external consultants. Second, a short-term orientation tends to be associated with 'investor' capitalism (Kipping, 2002), the institutions of which (e.g., banks and public limited companies) tend to be big purchasers of consulting services (O'Mahoney & Markham, 2013). Relatedly, these institutions and their investors tend to have a short-term focus on share price, where consultancy use has been shown to have an impact through market signalling (Bergh & Gibbons, 2011). Third, individual and organisational embeddedness in a long-term oriented culture, especially in East Asia, may disincline the purchase of consulting services by fostering a tendency towards thrift (Hofstede, 1994), long-term business relationships (Minkov & Hofstede, 2011), internal training (Whitley, 2000) and a desire to develop and transfer knowledge internally (Ardichvili & Dirani, 2005). Therefore, we hypothesise that:

**Hypothesis 5:** Long-term oriented cultures are less likely to use management consultants than short-term oriented cultures.

## **Methods**

### **Underlying assumptions**

We assume a complex and open relationship between culture and purchasing decisions rather than a simple one-to-one relationship. Our study is therefore underpinned by a realist ontology which seeks to contextualise and explain statistical relationships rather than use them as mere descriptions (Williams, 2014). In line with our ontological foundation, we use extant literature to generate tentative *explanations* for statistical findings: exploring potential causal hypotheses



over and above seeking statistical significance (Hurrell, 2014; Zachariadis, Scott, & Barrett, 2013). The literature above therefore identifies plausible causal mechanisms by which culture *might* be related to purchasing knowledge through consultancy. In testing the hypotheses, then, we seek to develop existing theorising rather than ‘prove’ fixed relationships.

### **Proxies for consulting spend**

Driven by considerations of the consistency of measurement and methodology, we decided to rely on client spending patterns sourced from *Datamonitor* reports (2008a, 2008b, 2008c, 2008d, 2008e, 2008f, 2008g). For feasibility reasons, we used the data from 2005 and statistically ensured this year’s spending was not unusual<sup>3</sup>. *Datamonitor* only provide data for nine countries which therefore limited our sample. Other reports were available. However, some were prohibitively expensive (e.g., Kennedy Information). Others focused entirely on Europe (e.g., FEACO), with scholars either relying on European data only (Pemer, Sieweke, & Werr, 2018) or sourcing their cross-continental consulting spend data from different reports at the risk of using inconsistent measurements (Barthélemy, 2020). It should be noted that client spending is not a perfect proxy for usage because consulting prices can differ between nations (Boussebaa, Morgan, & Sturdy, 2012). However, this variation is much more marked with small firms, which the *Datamonitor* surveys exclude, and such differences are closely linked to national economic size, a variable for which we control.

*Datamonitor* collects data from a variety of primary (e.g., telephone surveys with buyers) and secondary sources (e.g., government tax data and company reports) and uses a broad definition of management consulting<sup>4</sup> which covers marketing consultancy as well as ‘corporate strategy services, operations management services, information technology solutions, human resource management services and outsourcing services’ (*Datamonitor*, 2008d, p. 7). As noted above, *Datamonitor* tends to exclude small consultancies (and individual practitioners) from their sample. This may not affect results unduly because, although small consulting firms are sometimes contrasted with larger corporations, both tend to have many shared practices (Lee, Roehl, & Choe, 2000). Thus, if we can demonstrate differences within our sample, it is likely that these would be even greater in the whole population of firms.

One variable mentioned in our framework of which we were keen to take account is the size of national economies, as larger and more developed economies tend to spend more (Barthélemy, 2020). We therefore combined the total national expenditure on consultancy with each pertinent nation’s GDP to arrive at a new standardised measure of *GDP-weighted consultancy expenditure*, calculated using the following formula and the data summarised in Table 1: Consulting Revenue / (Population × GDP per capita) × 100%.

We also sought to take account of two of the factors mentioned earlier which have been identified as potentially influencing consulting spend – the size of the finance sector and (client) company size – by running two further correlations. The finance sector and larger companies not only tend to spend more on consulting, but also pay higher rates (Kennedy Information, 2010). The former was operationalised as the value of insurance and financial service exports<sup>5</sup> while company size was measured by the market capitalisation of listed companies<sup>6</sup>. Only the second control variable showed a statistically significant relationship with consultancy revenue,  $r = .706$ ,  $N = 9$ ,  $p < .05$  (one-tailed) and was therefore incorporated into our regression analyses.

<sup>3</sup> A one-way repeated measures analysis of variance was conducted to compare scores on GDP-weighted consultancy spending at time 1 (2003), time 2 (2004), time 3 (2005), time 4 (2006) and time 5 (2007). No statistically significant result was found for the effect for time on consultancy spending, Wilks’ lambda = .29,  $F(4,5) = 3.01$ ,  $p = .129$ .

<sup>4</sup> By ‘management consulting’, *Datamonitor* refers to management advice and implementation work provided to clients in the areas of IT, operations, marketing, HRM, outsourcing and strategy.

<sup>5</sup> <http://data.worldbank.org/indicator/TX.VAL.INSF.ZS.WT?page=1>.

<sup>6</sup> <http://data.worldbank.org/indicator/TX.VAL.SERV.CD.WT?page=1>; and <http://data.worldbank.org/indicator/CM.MKT.LCAP.CD>.

**Table 1.** Calculation of GDP-weighted spending on consultancy

Country	Consulting revenue (bn) US\$	Population (m) <sup>a</sup>	GDP per capita US\$ <sup>b</sup>	GDP-weighted spending (%)
USA	112.5	295.5	44,314	.859
UK	19.4	60.4	38,441	.836
Germany	18.5	82.5	33,543	.669
Japan	20.4	127.8	35,781	.446
France	8.4	63.2	33,819	.393
Italy	2.6	58.6	30,479	.146
China	2.336	1,303.7	1,731	.104
India	1.4892	1,127.1	740	.179
South Korea	1.6352	48.1	17,551	.194

<sup>a</sup>World Bank Figures (2005). Available at: <http://data.worldbank.org/indicator/SP.POP.TOTL?page=1>.

<sup>b</sup>World Bank Figures (2005). Available at: <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD?page=1>.

### Sample

Although *Datamonitor* (2008a, 2008b, 2008c, 2008d, 2008e, 2008f, 2008g) reports are global they only detail country specific surveys for six of the world's largest economies (the UK, USA, Germany, France, Italy, and Japan). We were also able to extrapolate data for China, India and South Korea from their Asia Pacific report. The selection is useful because they provide varied, and in some cases, extreme, scores for Hofstede's dimensions, and were polarised in terms of spend on consultants (Table 1). In brief, the USA has one of the highest individualism and lowest LTO scores. The UK has the highest spending on consultants per capita in Europe and has similar cultural scores to the USA<sup>7</sup>, but with much lower consulting spend. Germany, which did not start using consultants until the 1960s, has a higher UA score than most other Northern European countries and relatively low levels of individualism. It is also the largest spender on consultants in Europe in absolute terms. Japan, which came to consultancy in the 1990s (Kipping, 2002), tends to buy from Japanese consultancies, dominates consulting spending per capita in the Asia-Pacific region, and scores among the highest in terms of masculinity, UA and LTO. Table 2 summarises cultural indices<sup>8</sup> of each country included in our analysis.

### Hypothesis testing

The correlations between GDP-weighted consultancy expenditure and Hofstede's cultural indices are summarised in Table 3.

Company size as a control variable had a significant positive influence on consultancy spending. Table 4 shows regression results for five models drawn separately to explain the spending on consultancy from cultural indices after controlling for the influence of company size. We did not draw a single-regression model including all five cultural indices for two reasons. First, there was a strong statistically significant negative correlation between individualism and LTO ( $r = -.790$ ,  $N = 9$ ,  $p < .01$ ) so these two independent variables could not be inserted into the same regression

<sup>7</sup>Hofstede investigated Great Britain as opposed to the UK and therefore he did not assess Northern Ireland. However, this paper assumes that cultures do not vary greatly between the two regions so that Hofstede's cultural dimension can be used comparatively.

<sup>8</sup>In the last 3 years, a new index, indulgence, has been added. However, as this has had very few empirical replications and has not yet been collected for all countries in the dataset.

**Table 2.** Cultural indices by country (Hofstede, 2010)

	UA	PD	Individualism	Masculinity	LTO
USA	46	40	91	62	26
UK	35	35	89	66	51
Germany	65	35	67	66	83
Japan	92	54	46	95	88
France	86	68	71	43	63
Italy	75	50	76	70	61
China	30	80	20	66	87
India	40	77	48	56	51
South Korea	85	60	18	39	100

**Table 3.** Correlations for all variables in the framework

	1	2	3	4	5	6	7
1. GDP-weighted consultancy spending	–						
2. Company size	.706*	–					
3. UA	–.185	–.018	–				
4. Masculinity	.185	–.461	.006	–			
5. PD	–.812**	.468	–.069	–.281	–		
6. Individualism	.731*	.063	–.121	.137	–.691	–	
7. LTO	–.504 <sup>^</sup>	–.478	.454	.044	.273	–.790**	–

Note:  $N = 9$ ; \*\* $p < .01$ , \* $p < .05$ , <sup>^</sup> $p < .1$ .

**Table 4.** Regression results for confounding effect of company size on consultancy spending

	Model 1		Model 2		Model 3		Model 4		Model 5	
	<i>b</i>	SE <i>b</i>	<i>b</i>	SE <i>b</i>	<i>b</i>	SE <i>b</i>	<i>b</i>	SE <i>b</i>	<i>b</i>	SE <i>b</i>
Company size	.006	.002	.003	.002	.004	.002	.006	.002	.005	.003
UA	–.002	.003								
PD			–.011*	.004						
lvsC					.006	.003				
MvsF							.003	.005		
LTO									–.003	.004
$R^2$	.528		.799		.704		.518		.731	
$\Delta R^2$	.030		.30		.206		.020		.036	
Adj. $R^2$	.371		.732		.606		.358		.535	
Sig.	.561		.024		.087 <sup>^</sup>		.637		.521	

Note:  $N = 9$ ; *b* = unstandardised regression coefficient, SE *b* = standard error associated with *b*; \* $p < .5$ , <sup>^</sup> $p < .1$ .

model due to the problem of multicollinearity. Even after dropping one cultural index, the resultant low degree of freedom ( $df = 3$ ) would not give us sufficient useful information.

## Findings

Our analysis confirmed hypotheses hypothesis 2 (PD) and hypothesis 3 (I). Hypothesis 5 (LTO) was significant only at a less conservative level of  $p < .1$  but regression analysis revealed it does not explain consultancy spending above and beyond company size. No links between UA (hypothesis 1) and masculinity (hypothesis 4) and consulting use were found.

### Power distance

Our correlation analysis showed a strong negative relationship between consultancy spending and PD,  $r = -.812$ ,  $N = 9$ ,  $p < .01$  (one-tailed). The regression analysis showed that after taking away the effect of company size, even despite the small sample size, PD still had a statistically significant effect on consultancy spending and accounted for an additional 30% of the variance in consultancy spending,  $\Delta R^2 = .30$ ,  $\Delta F(1,6)$ ,  $p < .05$ . This confirms hypothesis 2, that cultures with high PD may be less likely to use management consultants. It also conforms to our arguments that countries with low PD scores such as the UK and Germany would be more likely than Japan or France to purchase the advice of (often young) outsiders who had little formal authority or legitimacy within the client company and would be less inclined towards knowledge hoarding.

### Individualism

A strong positive correlation between individualism and consultancy spending,  $r = .731$ ,  $N = 9$ ,  $p < .05$  (one-tailed), confirms hypothesis 3 that highly individualistic cultures are more likely to use management consultants than collectivist cultures. Moreover, after controlling for the effect of company size, individualism explained an additional 21% of the variance in consultancy spending ( $\Delta R^2 = .206$ ,  $\Delta F(1,6)$ ,  $p < .1$ ). Our finding appears consistent with our earlier arguments that individualism is associated with seeking professional help, individualistic ideas and explicit, formal knowledge. Similarly, high levels of collectivism are linked to decision-makers looking to their close social networks or internally to source assistance and to be suspicious of 'outsiders' such as many consultants. However, it directly contrasts with the findings of Perner, Sieweke, and Werr (2018) who found a negative relationship from their European-only sample.

### Long-term orientation

The correlation between LTO and the use of management consultants was tentatively significant at a less conservative significance threshold of 10%,  $r = -.504$ ,  $N = 9$ ,  $p < .1$  (one-tailed). But our regression analysis showed that the marginal 4% contribution of LTO to explain the variance in consulting spending above and beyond company size was not statistically significant ( $\Delta R^2 = .036$ ,  $\Delta F(1,6)$ ,  $p = .521$ ). For some who study the consulting industry, this lack of a significant relationship will be a surprise as academics have tended to assume that long-term strategies tend towards investing in *internal*, rather than external, resources (Ardichvili & Dirani, 2005; Armbrüster, 2010; Hofstede & Minkov, 2010). Similarly, Kipping (2002) has argued that short-termist 'investor' capitalist countries tend to be heavy buyers of consulting services. However, as Public Limited Companies (Plc) tend to be larger than private companies, it appears that size is the primary reason for the relationship rather than any intrinsic tendencies of corporations.

## The UK and Japan in historical context

As noted earlier, it is important to place our findings within a broader historical context to both sense-check and deepen our understanding of potential causal mechanisms (i.e., the 'why?') that

Table 5. UK and Japan culture scores and consulting spending

	UA	PD	INDIV.	MASCU.	LTO	Consulting spending per GDP p.c.
UK	35	35	89	66	51	.836
Japan	92	54	46	95	88	.446

may underpin or generate empirical phenomena (i.e., the ‘what?’) (O’Mahoney & Vincent, 2014). To this end, we selected two countries to help us better contextualise the relationship between culture and purchasing of consultancy: the UK and Japan. We chose these partially because of their comparatively extreme results (Table 5), but also because the economies are similarly structured – highly developed, capitalist, with large banking and finance sectors. Other countries that fitted this description were the USA and Germany, but both are too similar to the UK in terms of their culture scores for a meaningful analysis. By contrast, comparatively with Japan, the UK is highly individualistic, and scores low for UA, PD and LTO. By GDP per capita, its consulting spend is almost twice that of Japan. Given space limitations, the account below is not meant to be exhaustive, but indicative of some of the different historical processes by which aspects of culture in these two nations may be related to consulting spend.

In contrast to the short-termism of UK investors, at least until recently, ‘most Japanese corporate stocks are not owned by the public but by a corporation’s business partners or bank... [who] will not sell off shares so long as their business relationship continues. Thus, managers of Japanese corporations can follow growth orientated policies [such as] permanent employment, high levels of training, and pay by service years rather than seniority’ (Baum, 1997, p. 218). From a transaction-cost perspective, such differences encourage decision-makers to transfer the benefits of experience, training and fees that the UK bestows on external consultancies to *inside* the organisation. By contrast, in the UK, ‘the quest for higher capital market returns...has reinforced the pressure on listed companies to produce substantial quarterly profits thereby amplifying down-sizing forces’ (Ebbinghaus, 2006, p. 195). Thus, British organisations, having removed swathes of middle management after the process re-engineering and outsourcing experiences of the 1990s, were left with little option other than to look externally for expertise (Poynter, 2013).

The short- and long-term investment patterns of the UK and Japan, respectively, are symbiotic with differences in culture. Hofstede’s assessment of Japan as a highly risk-averse, masculine and long-term orientated society is one borne out by other culture surveys (House, Hanges, & Javidan, 2004) and qualitative studies (Yoda & Harootunian, 2006). In large Japanese organisations, especially the prestigious and highly networked *keiretsu* corporations, this translates as cautious, slow and consensual decision-making, known as *ringiseido*, supported by frequent reporting, touching base and discussion, known as *hourensou* (Samovar, Porter, & McDaniel, 2011, p. 331). Although the traditional Japanese corporation has been changing, it is still heavily hierarchical (power distanced) and male dominated (Miroshnik & Basu, 2014). Moreover, the relatively LTO of many companies ensures higher levels of investment in both technical R&D and employee training (Ichniowski & Shaw, 1999), even if short-term financial pressures have increased recently with changing ownership and governance.

These features of Japanese culture can be traced in their historical engagement with consultants. The most detailed study of consultants in Japan (Kipping, 2002) shows that, post-World War Two, consultancy was perceived as a foreign, US invention and had significant trouble establishing itself as an industry. This Japanese reaction against US interventions has been argued to be linked to the much higher levels of collectivism in its culture which, as we have noted, inclines it more against outsiders than other cultures (Dower, 2000). Unlike the UK, which by the 1960s begun embracing the US MBA/Business School model, Japan resisted changes to its higher education system, and studying business is still relatively uncommon. Indeed, even today, big brand

and high paying US consultancies such as McKinsey and BCG find that the best Japanese graduates favour working for home firms, primarily the *keiretsu* corporations.

Such a historical context contrasts sharply with that of the UK and England in particular, where social ties loosened through both early industrialisation and liberalism (Adams, 1998). The former disrupted collectivist rural communities through urbanisation, and eroded class coherence through the rising wealth of *nouveau riche* merchants (Hobsbawm & Wrigley, 1999). The latter both provided a conceptualisation of the self that would be alien in Japan – unentangled with community, religion or state – and foreshadowed the political and legal changes which enshrined the rights of the individual more widely. In more recent times, the acceleration 'free-market' regulation under neo-liberal reforms made the UK one of the most individualistic societies in the world (Hofstede, Hofstede, & Minkov, 2010) which, in business, emphasised competitive advantage and market superiority (Deshpandé & Farley, 2004).

Again, these social and organisational characteristics have been seen to have a direct effect on the British use of consultants, and the sourcing of knowledge more generally. The British linguistic and economic affinity to the USA has been argued by McKenna (2006) to influence the early import of individualistic US ideas via consultants to the UK, and the greater involvement of consultants in government is directly linked by Saint-Martin (2004) to the neo-liberal inclinations of post-1970s governments. Others have also noted that the short-term orientation brought about by share-holder capitalism, and more transactional employment conditions engendered by weak employment laws tend to create transaction cost incentives for using external consultants rather than investing in 'up-skilling' or recruiting internal employees (Armbrüster, 2010). The non-interventionism of British governments and the individualism of British business resulted in a lack of knowledge-sharing institutions, what, Kipping (1999b) argued, was a key reason for consultancy growth in the UK.

By contrast, as noted above, Japan made wide use of national and sectoral knowledge sharing organisations until comparatively recently. Post-war, the country established 'joint structures for the exchange of knowledge' such as 'productivity associations' and 'enterprise think-tanks' which provided trusted and low-risk alternatives to the advice from consultants (Kipping, 2002, p. 21). This is in keeping with the higher collectivism and PD scores in Japan. Similarly, Japanese firms are more likely to turn to older decision-makers than teams of junior MBAs. This is especially so as consultants may sometimes challenge existing practices, something that must be managed carefully in collectivist and high PD cultures. Haffner, Klett, and Lehmann (2009, p. 65) find that, even today, Japanese management consultants find providing recommendations for change particularly difficult and will attempt to 'convey information in a series of anecdotes, indirect references or oblique statements... because they do not want to cause embarrassment to their listeners'. Indeed, they go on to report interview data in which, faced with the prospect of delivering some radical change proposals, Japanese consultants from McKinsey asked their US colleagues to give the presentation. Others have noted that Japanese decision-makers prefer knowledge sourced from insiders or even governments (Choo and Bontis, 2002; Peltokorpi, 2006), and that when consultants have to be used, they prefer to use Japanese rather than US firms. Mohe (2008), for example, notes that 'in 2002, KPMG had only 6 employees in Japan' and that 'although the idea [of Lean Production] originated in Japan, remarkably no Japanese consultancy was responsible for its diffusion' (p. 50).

## Discussion and conclusion

Our study investigated how purchasing decisions, expressed as national spending on management consultancy, relate to Hofstede's cultural indices and substantiated why the statistically proven relationship exist with recourse to historical contexts of consultancy use in Japan and the UK.

Our first contribution is descriptive. We found statistically significant relationships between PD and individualism and adjusted consulting expenditure. However, equally important is the lack of a correlation between UA and consulting spending, contrary to Perner, Sieweke, and Werr's (2018) significantly negative relationship and Barthélemy's (2020) significantly positive

Table 6. Summary of findings

Cultural indices	Relation	Possible explanations	Indicative research
UA	None found	NA	Mixed – negative (Pemer, Sieweke, & Werr, 2018) and positive (Barthélemy, 2020)
PD	Negative	Consultancy not seen as a challenge/alternative to formal hierarchical authority and also provides legitimation	(Shi, Sia, and Banerjee (2009), Husted, Gamelgaard, and Michailova (2005), Pagell, Katz, and Sheu (2005)
Individualism	Positive	Consultants and their ideas not associated with the in-group, high trust levels or a collective focus	Kipping (2002), Basabe and Ros (2005). (Pemer, Sieweke, and Werr (2018) found a negative relationship)
Masculinity	None found	NA	Pemer, Sieweke, and Werr (2018) found a positive, but not significant relationship
LTO	Weak negative. Explained by company size	Consulting negatively associated with tradition, trust or thrift, and its use perhaps needed to secure short-term stakeholder legitimation	Armbrüster (2010), Kipping (2002)

association. Barthélemy argued that the use of consultants for best practice work was associated with risk reduction for clients, which, he hypothesised would be stronger in high UA cultures (p. 193). His analysis confirmed the hypothesis ( $b = .139, p < .05$ ). However, he did argue that ‘[t]hese findings are paradoxical [because] management consultants continuously come up with new “best practices”’ (O’Mahoney and Sturdy, 2016). Hence, their clients’ fear of being left behind will never totally disappear (Ernst and Kieser, 2002) [and] most organisations are used to working with management consultants (Armbrüster and Glückler, 2007). Thus, they are often more insecure than their clients (Sturdy, 1997). Conversely, Pemer, Sieweke, and Werr (2018) argued that the use of consultants involved significant uncertainties which would suggest that countries with high UA would have lower use of consultants. They found that ‘[r]egarding the relationship between a country’s level of UA and the extent of using consulting services’, they found a negative and significant coefficient ( $b = -.03; p < .001$  in study 1 and  $b = -.01; p = .004$  in study 2) (pp. 320–321). As the data sources for the use of consultants were different in all three studies, this finding highlights the need for further research, both in analysing the relationship between UA and the use of consultants and the differences in spend suggested by different data sets.

Similarly, our finding of a weak relationship between LTO and consulting spend, which can mostly be explained by company size, conflicts with prior assumptions that those with long-term strategies tend to invest in *internal* knowledge assets (Ardichvili & Dirani, 2005; Armbrüster, 2010; Hofstede & Minkov, 2010). As both Pemer, Sieweke, and Werr (2018) and Barthélemy (2020) excluded this variable, further research might explore the relationship with different data and perhaps in more, or at least different, countries.

Our second contribution is explanatory. We go beyond recent research in geographical and conceptual coverage and in going beyond a focus on associations between cultural dimensions and consultancy spend. In particular, we suggest tentative explanations drawn from a review of wider relevant literature on culture and knowledge sources as well as our brief historical contextualisation at the country level with the UK and Japan. Although space limitations prevented a fuller analysis, our approach points to opportunities to understand better *why* national culture might influence preferences for external management knowledge sources such as consultancy (see also Table 6).

At the same time therefore, our analysis highlights the insufficiency of both rational economic and political explanations for relatively high consulting use. Although economic factors such as GDP are clearly important (Barthélemy, 2020), along with legitimacy, such approaches should, at the very least, take account of the value systems present in different countries and how these relate to how knowledge and its sources are constructed. This concerns not only the ways in which the decision-making process itself is embedded within a specific cultural context (Pemer, Sieweke, & Werr, 2014), but also how what might appear 'rational' in some cultures, may not in others. As we argued earlier, national culture does not operate independently, nor simply at a macro-level, but infuses the meso-level structures of supply and demand, and the micro-level judgements such as transaction costs that decision-makers undertake. These were also made evident in our brief historical contextualisation of organisations.

Third and finally, our findings have implications for practitioners, whether consultants, clients or policy makers. Purchasing and other management practitioners will note that our study signals high levels of national differences in the use of management consulting. At a superficial level, this could be seen to act as a warning in low user nations that 'best practice' sources of knowledge are being overlooked. However, as others have pointed out, the efficacy of any form of knowledge is also likely to be altered by the context in which it is *implemented* (Waisberg & Nelson, 2018). In our case, if buyers are artificially encouraged to source external consulting knowledge in a culture which distrusts outsiders or prefers informal ties, it is especially unlikely that any subsequent knowledge transfer or implementation will remain unaffected (Menon & Pfeffer, 2003). For national or corporate policy makers and buyers in high consulting-usage countries, our findings emphasise the potential of alternative institutions to provide management advice, especially if policy is determined at global or continental headquarters (usually in Western Europe or the USA). This might help normalise the *non-use* of consulting in the face of global trends (Sturdy & O'Mahoney, 2018). For consultants and their employing organisations, our findings are clearly helpful, alongside other economic and sectoral data, in highlighting the varying potential of different markets based around values.

There are several limitations of our study which open trajectories for future research. First, we were obliged to use a small sample. Similar, ideally longitudinal, analyses could be undertaken in differing economic conditions, and future research might interrogate new sources of data such as innovation surveys of firms (Pemer, Sieweke, & Werr, 2018). Second, we did not control for socio-economic extraneous variables (beyond firm size, economic development, population and finance sector profiles) and future research should attempt identifying potential confounds if data permit. Third, research could be extended to include more contexts which might then be compared to other data on sources of management knowledge, such as business school intakes or sales/downloads of guru texts. Fourth, although we have emphasised differences between nations, future research might examine the forces for international isomorphism, for example in adopting common technology and legal standards. Fifth, as consultancy is, primarily, as US invention, it may be expected that the norms and culture within the industry itself are congruent with, and thus more attractive to, Anglo-Saxon nations. To explore this relationship, qualitative studies might compare the perceptions and construction of consultancy between different regions. Finally, there is additional scope to develop this study qualitatively, especially through client buyers, but also consultants and firms with experience and expertise of operating in different markets. Notwithstanding these limitations, our analysis has been one of the first to demonstrate national culture as an important factor in understanding variations in the acquisition of management knowledge through consultancy and developed our understanding theoretically, methodologically and empirically. More generally, as Pagell, Katz, and Sheu (2005, p. 387) noted, 'it takes more than knowing that ... decisions are made differently in different countries ... Managers must understand how and what dimensions of national culture influence' them.



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