

Foreword

The management consulting industry has grown into a sizeable economic sector and employment market in the outgoing 20th century. Globally operating management consulting firms, with thousands of consultants, have emerged. They coexist alongside many small consultancies and single practitioners. As a result, a remarkable diversity in the organizational structure of management consulting firms has developed. Organizational structure is of utmost importance for consultancies as it directly impacts their business and employment models. Yet, little scientific explanation has been offered so far on the factors accounting for the diversity of organizational structure in management consulting.

Michael Graubner explores this contemporary topic. His research is guided by the contingency theory of organizations, one of the classical organization theory schools of thought that has been traditionally applied to investigate organizational structure in manufacturing, banking, and the public sector. The author thoroughly reviews the different aspects of contingency theory – contingency factors, constructs of organizational structure, the concept of fit between contingencies and structure, organic vs. bureaucratic theory – and reflects on them in the light of other organization theory schools of thought. Building on Lex Donaldson's 'parsimonious model' of contingency theory, he develops seven research hypotheses on the relationships between organizational size and task uncertainty as contingency factors and structural differentiation, specialization, centralization, and formalization as constructs of organizational structure. The author tests the hypotheses empirically with qualitative and quantitative data, mostly obtained during a series of personal interviews in large and medium-sized management consulting firms with offices located in Germany, Austria, and Switzerland.

The exploratory, NVivo software-supported analysis of the data pinpoints a number of measures with considerable differences between firms regarding the task uncertainty inherent in the services they provide and the way

they are structured. In the deductive part of the research, organizational size and to a lesser degree task uncertainty are found to be closely associated with the organizational structure of management consultancies. Positive relationships are identified between size and structural differentiation, task uncertainty and specialization, and between size and formalization. A negative association is discovered between consultancies' size and their degree of centralization of decision-making. Overall, the findings uphold classical contingency theory of organizations rather than the 'parsimonious model'.

Michael Graubner's work contributes to the advancement of the contingency theory of organizations. He uses this well-established theory to study organizational structure in management consulting and thereby expands its application range beyond traditional industries. In addition, he empirically tests Donaldson's recent modification of structural contingency theory and rejects it in support of the theory's classical premises.

The author investigates a current and vital, yet under-researched phenomenon. While there has been a growing academic interest in professional service firms in recent years, comparatively little attention has been paid to the organization of these firms. Few researches, including a group of institutional theorists around Hinings, Brock, and Powell, have addressed organizational topics in the professional services. Their predominant focus, however has been on large accounting and law firms. The degree to which the findings can be transferred to other professional service industries remains unclear. Michael Graubner examines management consulting firms and therefore provides a substantial contribution to the body of knowledge on the organization of professional service firms in general and management consultancies in particular.

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