SECTION MANAGEMENT, MARKETING, ECONOMIC INFORMATICS AND CYBERNETICS

THE EVOLUTION OF MANAGEMENT CONSULTING: HISTORICAL FOUNDATIONS, KNOWLEDGE INTEGRATION, AND IMPLICATIONS FOR MANAGERIAL DECISION-MAKING

Barbara Zsófia STEFÁN[1], Péter CZINE[2], Krisztina DAJNOKI[3]

[1]Ph.D. student, University of Debrecen, Faculty of Economics and Business, Doctoral School of Management and Business, Debrecen, Hungary
[2]University of Debrecen, Faculty of Economics and Business, Coordination and Research Centre for Social Sciences
[3]University Professor, University of Debrecen, Faculty of Economics and Business, Debrecen, Hungary
stefan.barbara@econ.unideb.hu
czine.peter@econ.unideb.hu
dajnoki.krisztina@econ.unideb.hu

Abstract: *Management consulting has evolved from a narrowly defined technical support function into a complex, knowledge-intensive activity playing a central role in managerial decision-making. This paper aims to provide a structured and interpretive overview of the historical development of management consulting, with particular attention to its transformation from scientific management roots to contemporary knowledge integration practices. The study addresses the following research question: how has the role of management consulting evolved over time, and how does this evolution shape its contribution to managerial decision-making? The paper adopts a conceptual approach, drawing on seminal contributions in management theory, organizational learning, and knowledge management. Rather than offering a purely chronological account, the paper emphasizes the shifting role of consultants, highlighting how their role has gradually shifted from delivering standardized solutions towards facilitating context-dependent learning processes within organizations. The analysis demonstrates that early consulting practices, grounded in the principles of scientific management, focused primarily on efficiency and rationalization, assuming that organizational problems could be addressed through objective, universally applicable solutions. Over time, however, the increasing complexity of organizational environments, coupled with the growing recognition of human and contextual factors, led to the emergence of more sophisticated approaches, including strategy consulting and process-oriented approaches. In recent decades, the emphasis has further shifted towards co-creation and knowledge integration, where the value of consulting lies not only in expertise but also in supporting organizational learning, interpretation, and informed decision-making under conditions of uncertainty. The paper contributes to the literature by offering an integrated perspective on the historical evolution of consulting and by highlighting its implications for understanding the conditions under which consulting inputs are effectively translated into managerial decision-making and action. It draws attention to the increasing importance of trust, contextual* *sensitivity, and interpretive capacity in shaping the outcomes of consulting engagements. By positioning consulting as a dynamic and relational process, the study provides a conceptual foundation for future research on managerial decision-making and the practical applicability of external advisory inputs in managerial contexts.*

Keywords: *management consulting; managerial decision-making; knowledge integration; organizational learning; consulting evolution; decision support.*

JEL Classification: *M10; D83; L20*

1. **Introduction**
Management consulting has become a significant component of modern organizational practice, yet its role and underlying logic have undergone substantial transformation. While early forms of consulting focused on efficiency and process optimization, contemporary consulting goes beyond technical problem-solving and is closely linked to managerial decision-making, organizational learning, and knowledge integration. Managerial decision-making is inherently affected by cognitive biases and noise, thereby increasing the relevance of external advisory support under conditions of uncertainty (Kahneman et al., 2021). At the same time, the growing importance of learning from failure underscores the need for adaptive, learning-oriented consulting approaches (Edmondson, 2023). Taken together, these developments reflect a broader shift from mechanistic models towards more context-sensitive and adaptive approaches to organizations and management (Katz and Kahn, 1966; Lawrence and Lorsch, 1967).
The origins of management consulting can be traced to scientific management and early administrative theories, which aimed at rationalizing organizational processes through systematic analysis (Taylor, 1911; Fayol, 1949). However, growing organizational complexity revealed the limitations of these approaches, leading to greater emphasis on human, social, and contextual factors, as well as organizational behaviour and learning (Mayo, 1933; Katz and Kahn, 1966). Over time, consulting has evolved into a distinct professional field that not only provides expertise but also shapes managerial practices and decision processes (Kipping and Clark, 2012; Armbrüster, 2006). Consultants increasingly engage in collaborative processes, supporting problem framing, interpretation, and knowledge co-creation (Schein, 1999; Argyris, 1991). In addition to its problem-solving role, consulting also contributes to the legitimization of managerial decisions, influencing both decision quality and acceptance (Alvesson and Johansson, 2002). As a result, consulting effectiveness depends not only on analytical accuracy, but also on trust and contextual interpretation.
Against this background, this paper provides an interpretive overview of the historical development of management consulting and its evolving role in managerial decision-making. It addresses the following research question: how has the role of management consulting evolved over time, and how does this evolution shape its contribution to managerial decision-making? The study adopts a conceptual approach based on a structured review and interpretive synthesis of key contributions from management theory, organizational learning, and consulting literature. This perspective is particularly relevant in the Central and Eastern

European context, where consulting practices are shaped by specific institutional and market conditions (Poór, 2016; Poór et al., 2024).
By examining the development of consulting from its scientific management origins to contemporary knowledge-based practices, the paper contributes to a more nuanced understanding of consulting as a dynamic and relational process, highlighting the conditions under which consulting inputs translate into managerial action.

2. **From Rationalization to Organizational Complexity: The Evolution of Management Approaches**
The origins of management consulting are closely linked to the development of modern management thought and the structural transformations of industrial society. The emergence of large-scale organizations created new managerial challenges that required more systematic approaches to coordination and control. In this context, early consulting focused on efficiency and process rationalization, evolving as an applied extension of scientific management and administrative principles rather than an independent profession. This section outlines these foundations and their role in shaping consultants as external experts focused on technical optimization.

2.1. Scientific Management and the Logic of Rationalization
The emergence of management consulting is closely linked to the economic and organizational transformations of the late nineteenth and early twentieth centuries. The industrial revolution increased organizational scale and created new challenges in coordination, efficiency, and control. As traditional managerial practices proved insufficient, organizations began to adopt more systematic and analytical approaches to managing work processes, reflecting a broader shift towards rationalization characterized by formalization, predictability, and control (Weber, 1978; Drucker, 1954). Within this context, the foundations of management consulting can be traced to scientific management, most notably associated with Frederick Winslow Taylor. Taylor argued that work processes could be decomposed, measured, and optimized through scientific analysis, based on the assumption of a ‘one best way’ to perform each task (Taylor, 1911). This logic emphasized standardization, control, and the separation of planning from execution, redefining management as a rational and analytical function and laying the groundwork for the externalization and subsequent transfer of managerial knowledge (Armbrüster, 2006).
Henri Fayol further contributed to the formalization of management by identifying key managerial functions such as planning, organizing, coordinating, and controlling activities (Fayol, 1949). Despite differences in focus, both approaches shared the assumption that organizational performance can be improved through universal principles and structured intervention, supporting the emergence of advisory roles based on transferable practices (Kipping, 2002; Kipping and Clark, 2012). From a consulting perspective, these developments established the role of the external expert, focused on diagnosing inefficiencies and providing standardized, analytically grounded solutions. The value of consulting was closely tied to objectivity and scientific rigor, reflecting a mechanistic view of organizations in which problems were treated as technical issues to be optimized. This aligns with early conceptions of decision-making as a rational process (Simon, 1947). However, this

rationalization logic also had limitations. Its emphasis on standardization often neglected social and behavioural factors, which later proved critical for implementation. As organizational complexity increased, this model increasingly came under scrutiny, opening the way for approaches that emphasized human factors, organizational context, and bounded rationality (Katz and Kahn, 1966; Simon, 1947).

2.2. Expanding Perspectives: From Rational Systems to Human and Organizational Complexity

As the limitations of purely technical and rational approaches became more apparent, management thinking shifted towards a broader understanding of organizations. It became clear that efficiency cannot be achieved solely through process optimization, leading to greater emphasis on human behaviour, social dynamics, and organizational context. This shift also reflected the recognition that performance is shaped not only by formal structures but also by informal processes and knowledge flows (Drucker, 1954; Alvesson, 2004).

A key turning point was the human relations movement, associated with the work of Elton Mayo, which highlighted the importance of informal structures and social interactions in shaping performance (Mayo, 1933). This challenged the assumptions of scientific management by demonstrating that productivity depends not only on technical efficiency but also on psychological and social factors. As a result, organizations came to be understood as social systems in which behaviour cannot be fully explained by formal rules alone (Katz and Kahn, 1966). At the same time, these developments led to systems-oriented perspectives that viewed organizations as open systems interacting with their environment, emphasizing interdependence and adaptation (Katz and Kahn, 1966). Contingency theory further rejected universal solutions, arguing that effective management depends on situational factors (Lawrence and Lorsch, 1967; Donaldson, 2001). From a constructivist perspective, these developments also suggest that managerial knowledge is not simply transferred but co-created through interaction between organizational actors, including consultants and clients (Czarniawska and Mazza, 2012).

These developments reshaped management consulting. The consultant's role could no longer be limited to providing standardized solutions but required understanding organizational context and supporting adaptive processes. This marked a transition from an expert-driven model towards more context-sensitive forms of consulting, combining analytical expertise with interpretive and relational capabilities (Kipping and Clark, 2012; Armbrüster, 2006). At the same time, the assumption of fully rational decision-making was challenged by the concept of bounded rationality, which emphasized the cognitive and informational limits of decision-makers (Simon, 1947). This further highlighted the need for consulting approaches that support interpretation, judgment, and learning. Organizational learning theory reinforced this view by emphasizing reflection and adaptation as key elements of effective problem-solving (Argyris and Schön, 1978; Argyris, 1991).

Overall, these developments expanded the conceptual foundations of management consulting by highlighting the importance of human, organizational, and contextual factors, paving the way for later approaches emphasizing facilitation, knowledge integration, and co-creation (Schein, 1999; Nonaka and Takeuchi, 1995).

3. The Early Development of Management Consulting (1930–1960)

The period between the 1930s and the 1960s marks a critical phase in the development of management consulting, characterized by gradual institutionalization and the emergence of consulting as a distinct professional field. While earlier forms of consulting were closely tied to technical efficiency and process optimization, this period marked a broadening of consulting activities, driven by the growing scale of organizations and the expansion of managerial functions. As firms grew and expanded their geographical reach, particularly with the rise of holding structures and multinational enterprises, the demand for specialized managerial expertise increased significantly (Chandler, 1962; Kipping and Clark, 2012).
This transformation was closely linked to changes in managerial problems. Organizations were no longer concerned solely with operational efficiency, but increasingly faced strategic challenges related to growth, diversification, and competitive positioning. As a result, management consulting moved beyond its original focus on technical rationalization and became more deeply involved in supporting higher-level managerial decision-making processes (Armbrüster, 2006; Sturdy et al., 2009).

3.1. The Emergence of Strategy Consulting

The growing importance of strategic decision-making created the conditions for the emergence of strategy consulting as a distinct area within the broader consulting field. Large corporations required support in addressing complex issues such as market expansion, resource allocation, and long-term planning. In this context, consulting firms such as McKinsey & Company and Boston Consulting Group played a pivotal role in shaping modern consulting practices.
These firms contributed to the development of systematic analytical frameworks that enabled organizations to evaluate their business portfolios and competitive positions. Concepts such as portfolio analysis and experience curves became widely used tools for strategic planning, reflecting a shift towards more structured, data-driven decision-making. Consulting became increasingly associated with analytical rigor and the use of formalized methods to address strategic problems, reflecting broader developments in the consulting industry shaped by changing managerial needs (Kipping, 2002; Kipping and Clark, 2012).
At the same time, the rise of strategy consulting reinforced the perception of consultants as providers of high-level expertise. Their role extended beyond diagnosing operational inefficiencies to supporting top management in critical decision-making under conditions of uncertainty. This shift also contributed to the growing importance of consulting in shaping managerial thinking, as consultants introduced new analytical frameworks, models, and conceptual tools into organizational practice (Clark, 1995; Armbrüster, 2006).
However, the increasing reliance on analytical models also raised questions regarding the applicability of standardized approaches across different organizational contexts. While these frameworks provided valuable structure, their effectiveness depended on how well they could be adapted to specific situations. This tension between standardization and contextualization would later become a central issue in the development of consulting practice.

3.2. Consulting as a Management Profession

Alongside the emergence of strategy consulting, this period also witnessed the consolidation of management consulting as a recognized professional field. Consulting firms developed more formalized structures, established specialized areas of expertise and introduced standardized methodologies for diagnosing and solving organizational problems, reflecting the emergence of consulting as a structured professional activity with defined methods and practices (Kubr, 2002). These developments contributed to the professionalization of consulting, distinguishing it from earlier, more ad hoc forms of advisory activity (Kipping and Clark, 2012; Sturdy et al., 2009).

A key feature of this professionalization process was the increasing reliance on standardized methods and tools. Consultants began to use benchmarking techniques, comparative analyses, and so-called "best practice" approaches to identify solutions that could be transferred across organizations. This approach was grounded in the assumption that certain managerial practices are universally applicable and can be replicated to achieve similar results. As a result, consulting became closely associated with the codification and dissemination of managerial knowledge (Alvesson and Johansson, 2002; Armbrüster, 2006).

At the same time, the professionalization of consulting also involved the construction of legitimacy. Consulting firms positioned themselves as authoritative sources of managerial expertise, capable of providing objective and reliable advice. The development of professional norms, reputational mechanisms, and institutional recognition supported this process. However, as later critical perspectives have shown, this legitimacy was not based solely on technical competence, but also on social and symbolic factors that influenced how consulting interventions were perceived and accepted within organizations (Fincham, 1999; Alvesson and Johansson, 2002).

Table 1. Key Characteristics of the Early Development of Management Consulting (1930–1960)

Dimension	Description
Main focus	Shift from operational efficiency to strategic decision-making
Role of consultants	From technical experts to strategic advisors
Type of problems	Growth, diversification, competitive positioning
Methods used	Analytical frameworks, portfolio analysis, benchmarking
Organizational context	Expansion of large firms, emergence of multinational enterprises
Professionalization	Development of structured firms, methodologies, and expertise areas
Key contribution	Establishment of consulting as a distinct professional field
Key tension	Standardization vs. contextual adaptation

Source: Author's own compilation based on Armbrüster (2006), Sturdy et al. (2009), Kubr (2002), Kipping and Clark (2012), and Chandler (1962).

The institutionalization of management consulting during this period laid the foundations for its contemporary form. Consulting became established as a professional service industry, supported by structured analytical approaches to strategic decision-making and the diffusion of managerial knowledge. At the same time, tensions emerged between standardization and contextual adaptation, which continue to shape consulting practice in modern organizational environments. The key characteristics of this period are summarized in Table 1.

4. The Human Relations and Learning Turn in Management Consulting (1960–1990)

The period between the 1960s and the 1990s marked a fundamental shift in the development of management consulting, characterized by a growing recognition of the limitations of purely analytical and standardized approaches. Although the origins of the human relations movement date back to the 1930s, particularly through the work of Elton Mayo, its influence on management consulting became more pronounced only in later decades, when consulting practices increasingly incorporated process-oriented and human-centered approaches. As organizations became more dynamic, it became increasingly evident that effective management could not be reduced to technical optimization alone. Instead, attention gradually shifted towards human, cultural, and organizational dimensions, fundamentally reshaping both management theory and consulting practice.
This transformation was closely associated with broader developments in organizational thought, including the rise of organizational behaviour, leadership studies, and change management. These perspectives emphasized that organizational performance is deeply influenced by factors such as values, communication, and social interaction, which cannot be fully captured by formal models or quantitative analysis (Katz and Kahn, 1966; Alvesson, 2004). As a result, the role of consulting began to expand beyond problem diagnosis and solution delivery towards supporting more context-dependent organizational processes.

4.1. The Increasing Importance of “Soft” Factors

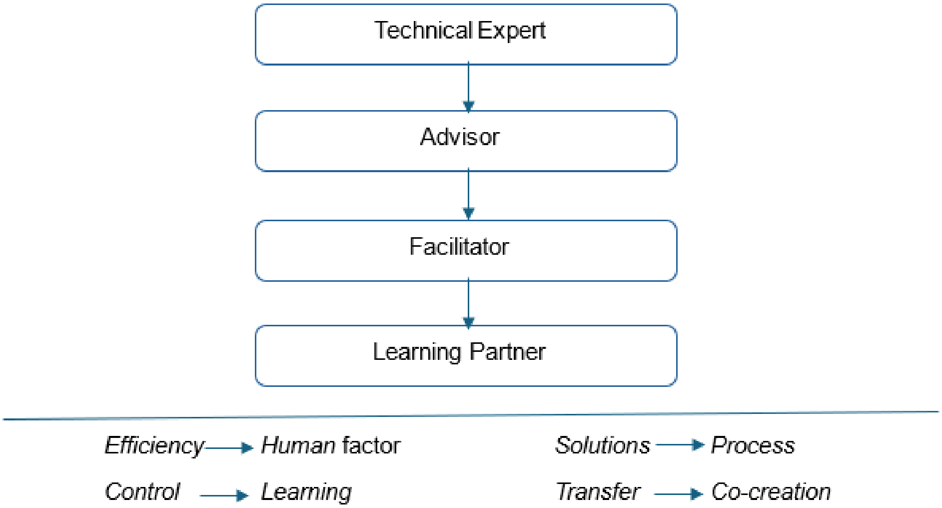
One of the most significant developments during this period was the growing emphasis on “soft” factors, including organizational culture, leadership, and change management. These elements were increasingly recognized as critical determinants of organizational effectiveness, particularly in contexts of transformation and uncertainty. As a result, management thinking shifted towards a more holistic view of organizations as socially constructed systems shaped by shared meanings and interactions.
A central figure in this shift was Edgar H. Schein, whose work on organizational culture and process consultation redefined the role of consultants. Schein (1999) argued that effective consulting goes beyond the application of expert knowledge and involves the development of a helping relationship in which consultants support problem diagnosis, interpretation, and context-specific solution development. This process-oriented approach emphasized collaboration, trust, and mutual learning, fundamentally transforming the consultant–client relationship. This perspective closely aligns with helping-oriented approaches, in which the consultant’s role is to facilitate problem understanding and capability development rather than to provide direct solutions (Egan, 2013), a distinction already emphasized in earlier work on the consultant’s role as a process facilitator rather than a content expert (Schein, 1978).

In this context, the consultant is no longer seen as an external expert delivering ready-made solutions, but as a facilitator who supports organizational understanding and learning. This aligns with the broader shift towards organizational learning, which highlights reflection and adaptation as key drivers of performance (Argyris and Schön, 1978; Argyris, 1991). Consequently, consulting effectiveness increasingly depends on the ability to support learning processes rather than provide technical answers.

The work of Peter Drucker further reinforced this transformation by emphasizing knowledge as a central organizational resource. Drucker (1954) highlighted the importance of knowledge workers and the role of knowledge in shaping managerial decision-making. This perspective strengthened the view that consulting should enable organizations to generate, interpret, and apply knowledge.

Taken together, these developments reflect a redefinition of management consulting from a purely expert-driven activity to a relational and process-oriented practice. This transformation can be summarized as a shift in the consultant's role: from expert to facilitator, and ultimately to partner, where value is created through interaction, learning, and the co-construction of solutions (Schein, 1999; Alvesson and Johansson, 2002). This shift in the consultant's role is illustrated in Figure 1.

Figure 1. Transformation of the Consultant's Role (1960–1990)



Source: author's own compilation based on Schein (1999), Argyris (1991), Argyris and Schön (1978), and Alvesson and Johansson (2002).

5. The Contemporary Era of Management Consulting (1990–Present)

From the 1990s onwards, management consulting entered a new phase characterized by globalization, increasing specialization, and the growing importance of knowledge as a strategic resource. As organizations faced rapidly changing environments shaped by technological development, market liberalization, and intensified competition, the demand for external expertise expanded significantly. In this context, consulting evolved into a highly diversified and knowledge-intensive industry, where value creation is closely linked to the ability to integrate and apply complex forms of knowledge within organizational settings (Sturdy et al., 2009; Kipping and Clark, 2012). At the same time, the nature of managerial problems continued to change. Organizations were no longer dealing primarily with clearly defined technical or structural issues, but increasingly faced ambiguous, non-routine challenges that required interpretation, judgment, and continuous adaptation. This shift further reinforced the move away from standardized solutions toward more flexible and context-sensitive consulting approaches.

5.1. Globalization and Diversification of Consulting Services
One of the defining features of contemporary consulting is its global expansion and functional diversification. Large consulting firms, including the so-called Big Four, have developed extensive international networks and offer a wide range of services that extend far beyond traditional management advice. These include IT consulting, human resource advisory, financial consulting, and, more recently, sustainability and ESG-related services. As a result, consulting has become embedded in multiple aspects of organizational functioning, often operating across different functional domains.

This diversification is closely linked to the project-based and multidisciplinary nature of modern consulting work. Consulting engagements are increasingly organized around specific projects that require the collaboration of experts from different fields, combining technical, organizational, and strategic perspectives. Such projects often involve not only problem diagnosis and solution design, but also implementation support, change management, and capability development within client organizations (Sturdy et al., 2009; Armbrüster, 2006). Recent studies also highlight the growing role of artificial intelligence in supporting managerial decision-making processes within such complex project environments, enhancing analytical capabilities while introducing new interpretive challenges (Bucurean and Țarcă, 2025).

At the same time, globalization has intensified competition in the consulting industry, leading to greater pressure to differentiate and innovate. Consulting firms must continuously adapt their service offerings and develop new capabilities to remain relevant in rapidly evolving markets. This dynamic environment further reinforces the importance of knowledge as a core asset and highlights the need for continuous learning and renewal within consulting organizations themselves.

5.2. Knowledge Integration and Organizational Learning
In the contemporary era, management consulting is increasingly understood as a process of knowledge integration and co-creation rather than mere expertise transfer. This perspective builds on Nonaka's view of organizations as dynamic systems of knowledge creation, where value emerges from the interaction between tacit and explicit knowledge (Nonaka, 1994; Nonaka and Takeuchi, 1995). Knowledge integration is closely linked to transfer processes that influence employee engagement and organizational effectiveness (Heder, 2020), and is also shaped by internal organizational functions, including HR functions, which can support coordination and capability development within organizations (Kun and Dajnoki, 2020). From this viewpoint, consulting involves not only providing external input, but also facilitating its combination, interpretation, and application within the client organization. Recent research also highlights the role of management consulting within corporate governance systems, emphasizing its contribution to

oversight, accountability, and informed decision-making (Kostiuk and Chikalkin, 2024). This shift is closely related to organizational learning, as effective consulting depends on creating conditions for reflection, questioning assumptions, and developing new ways of thinking and acting (Argyris and Schön, 1978; Schein, 1999). As a result, consulting contributes not only to individual learning but also to the development of organizational routines and capabilities.
Amy Edmondson's work highlights the importance of relational and contextual factors in these processes. Edmondson (2018) emphasizes that learning and knowledge sharing require psychological safety—an environment in which individuals feel able to express ideas, raise concerns, and engage in open dialogue without fear of negative consequences. This is particularly relevant for consulting, as the effectiveness of advisory processes depends on the quality of interaction between consultants and organizational members. From this perspective, consulting can be understood as a form of knowledge co-construction, where value is created through interaction, dialogue, and joint problem-solving. The consultant's role extends beyond providing solutions to facilitating processes through which organizations generate and apply their own knowledge, reinforcing the view of consulting as a relational and context-sensitive activity.
Within this framework, several factors become critical for effectiveness. Trust plays a central role in shaping organizational members' willingness to engage with external advice and incorporate it into decision-making (Schein, 1999; Alvesson and Johansson, 2002). Similarly, the applicability of recommendations depends on their alignment with the organizational context rather than generic solutions. Finally, the perceived value of consulting is closely linked to its impact on decision quality and organizational outcomes, which are often difficult to measure but remain central to managerial expectations.
These considerations suggest that consulting effectiveness is shaped not only by the quality of proposed solutions, but also by the interaction of relationships and organizational context. This perspective helps explain how external advice contributes to managerial decision-making in contemporary organizations. The main functions of management consulting in contemporary organizational settings are summarized in Table 2.

Table 2. Functions of Management Consulting in Contemporary Organizations

Function	**Description**	**Impact on Decision-Making**
Knowledge transfer	Provision of external expertise and best practices	Enhances analytical quality and information availability
Interpretation	Framing problems and supporting sensemaking	Reduces ambiguity and improves understanding
Facilitation	Supporting communication and interaction	Increases alignment and consensus
Legitimization	Providing external validation of decisions	Strengthens acceptance and credibility
Learning support	Enabling capability development and reflection	Improves long-term decision effectiveness

Source: author's own compilation based on Schein (1999), Nonaka and Takeuchi (1995), Argyris and Schön (1978), Alvesson and Johansson (2002), and Sturdy et al. (2009).

6. Critical Perspectives and Dilemmas in Management Consulting

Despite its widespread use, management consulting has long been subject to critical debate. While often presented as a rational and objective source of expertise, the literature highlights its ambiguities, limitations, and context-dependent nature.

A central concern relates to subjectivity. Although consulting is frequently framed as analytical and evidence-based, it inherently involves elements of interpretation, judgment, and negotiation. Problem identification, framework selection, and recommendation development are influenced by both consultants and clients, implying that outcomes are shaped by social interactions and contextual factors rather than purely objective analysis (Alvesson and Johansson, 2002; Fincham, 1999).

A related dilemma concerns the reliance on formalized methodologies. While standardized tools and “best practice” approaches provide structure and comparability, they may oversimplify complex organizational realities and constrain and limit context-specific adaptation. Benchmarking practices, for example, are widely used in consulting to identify transferable solutions, yet their effectiveness depends heavily on how well they are adapted to specific organizational contexts (Kuntz and Driha, 2022). This creates a tension between analytical rigor and practical relevance (Armbrüster, 2006; Sturdy et al., 2009).

Another critique highlights the legitimizing function of consulting. Beyond problem-solving, consultants often contribute to the justification and acceptance of managerial decisions. By providing external validation, they enhance decision credibility, even when their substantive contribution is limited. This symbolic dimension underscores that consulting value is not only technical, but also social and political (Alvesson and Johansson, 2002; Clark, 1995). The role of multiple stakeholders further reinforces that consulting outcomes are shaped by diverse expectations and interpretations, which influence how recommendations are understood and implemented (Khadija, 2022).

Measurement challenges further complicate the evaluation of consulting effectiveness. Its impact is often indirect, long-term, and difficult to quantify, as outcomes such as improved decision quality or organizational learning are not easily captured by standard metrics (Sturdy, 2011; Kipping and Clark, 2012). This challenge is particularly visible in small and medium-sized enterprises, where decision-support tools and controlling practices play a key role, yet their contribution to performance remains difficult to isolate and measure (Vilmos, 2020).

Taken together, these critiques suggest that consulting should be understood as a complex, context-sensitive practice rather than a straightforward application of technical expertise. Its effectiveness depends not only on analytical tools, but also on relationships, organizational context, and interpretation processes. The main challenges and critical perspectives discussed are summarized in Table 3.

Table 3. Core Challenges of Management Consulting

Issue	Description	Implication
Subjectivity	Consulting involves interpretation and judgment rather than purely objective analysis	Limits objectivity and introduces bias
Standardization	Use of frameworks and “best practices” may oversimplify complex situations	Reduces context sensitivity
Legitimization	Consultants provide external validation of managerial decisions	May reinforce decisions without substantive improvement
Measurement	Outcomes of consulting are difficult to quantify and evaluate	Complicates the assessment of effectiveness

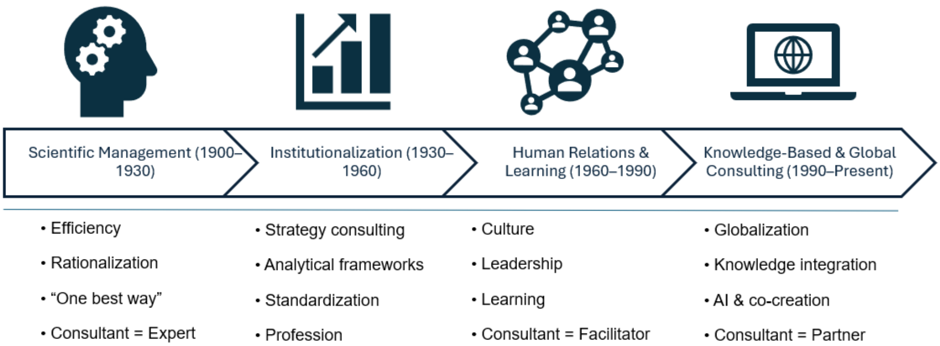
Source: author’s own compilation based on Alvesson and Johansson (2002), Fincham (1999), Armbrüster (2006), Sturdy et al. (2009), and Kipping and Clark (2012).

These limitations also point to important directions for future research. There is an increasing need for empirical studies examining how consulting interventions are interpreted and implemented within organizations. Qualitative approaches, such as semi-structured interviews, are particularly suited to exploring issues such as trust, applicability, and the translation of recommendations into practice, particularly in specific regional contexts, such as Central and Eastern Europe.

7. Conclusion and Future Research Directions

This paper examines the historical evolution of management consulting and interprets how this development has shaped its role in managerial decision-making. By tracing the trajectory of consulting from its origins in scientific management through its institutionalization and subsequent transformation towards process-oriented and knowledge-based approaches, the study highlights that management consulting is not a static or uniform activity.

Figure 2. The Evolution of Management Consulting Practice



Source: author’s own compilation based on Frederick Winslow Taylor (1911), Henri Fayol (1949), Elton Mayo (1933), Herbert A. Simon (1947), Edgar H. Schein (1999), Ikujiro Nonaka and Hirotaka Takeuchi (1995), as well as Matthias Kipping and Timothy Clark (2012).

Rather, it represents a continuously evolving practice that adapts to changing organizational, economic, and technological conditions. The overall trajectory of this evolution is summarized in Figure 2, which reflects the changing emphasis of consulting practice over time.

The analysis demonstrates that early consulting was primarily grounded in the logic of rationalization, focusing on efficiency, standardization, and the application of universal principles. Over time, however, this perspective proved insufficient. Greater attention to human factors, organizational context, and learning processes led to a redefinition of consulting, shifting its focus from technical problem-solving towards facilitation, interpretation, and collaboration. Today, consulting can be understood as a knowledge-intensive and relational activity. These developments suggest that management consulting operates as a continuously evolving practice.

This adaptation occurs across multiple levels. At the technological level, digitalization and the increasing role of data and artificial intelligence are reshaping the tools and methods used in consulting (Berente et al., 2021). At the organizational level, growing interdependence and diversity require more flexible and context-sensitive approaches. At the managerial level, decision-making is becoming more complex and ambiguous, reinforcing the need for advisory processes that support understanding and judgment rather than predefined solutions.

Against this background, the future of management consulting depends on balancing key dimensions, including objectivity, organizational learning, and value creation. Maintaining credibility while acknowledging the inherently interpretive nature of consulting is essential, as is the ability to support reflection, adaptation, and capability development (Argyris and Schön, 1978; Schein, 1999). At the same time, the question of value creation is particularly important, given ongoing concerns regarding the measurability and practical impact of consulting interventions.

From a research perspective, these challenges point to the need for further empirical investigation into the processes by which consulting contributes to managerial decision-making. Future studies should examine how consulting inputs are interpreted, adapted, and implemented within organizations, with particular attention to the role of trust, contextual fit, and perceived usefulness. Qualitative research designs, including in-depth interviews and case studies, offer promising avenues for exploring these issues in greater detail. Such approaches can provide valuable insights into the mechanisms through which consulting generates value and into the conditions under which this value is realized in practice.

In conclusion, management consulting should be understood not as a provider of ready-made solutions, but as a dynamic and relational process that supports organizations in navigating increasing complexity and uncertainty. Its effectiveness depends not only on analytical tools, but also on its ability to foster learning, support decision-making, and contribute to organizational change.

References

1. Alvesson, M. (2004) Knowledge work and knowledge-intensive firms. Oxford: Oxford University Press.

2. Alvesson, M. and Johansson, A.W. (2002) ‘Professionalism and politics in management consultancy work’, in Clark, T. and Fincham, R. (eds.) Critical consulting: New perspectives on the management advice industry. Oxford: Blackwell, pp. 228–246.

3. Argyris, C. (1991) ‘Teaching smart people how to learn’, Harvard Business Review, 69(3), pp. 99–109.
4. Argyris, C. and Schön, D.A. (1978) Organizational learning: A theory of action perspective. Reading, MA: Addison-Wesley.
5. Armbrüster, T. (2006) The economics and sociology of management consulting. Cambridge: Cambridge University Press.
6. Berente, N., Gu, B., Recker, J. and Santhanam, R. (2021) ‘Managing artificial intelligence’, MIS Quarterly, 45(3), pp. 1433–1450.
7. Bucurean, M. and Țarcă, N. (2025) ‘AI and decision making process: Exploring research and theories’, Analele Universității din Oradea. Seria Științe Economice, 34(2), pp. 176–187.
8. Czarniawska, B. and Mazza, C. (2012) ‘Consultants and clients from constructivist perspectives’, in Kipping, M. and Clark, T. (eds.) The Oxford handbook of management consulting. Oxford: Oxford University Press, pp. 427–445.
9. Chandler, A.D. (1962) Strategy and structure: Chapters in the history of the industrial enterprise. Cambridge, MA: MIT Press.
10. Clark, T. (1995) Managing consultants: Consultancy as the management of impressions. Buckingham: Open University Press.
11. Donaldson, L. (2001) The contingency theory of organizations. Thousand Oaks, CA: Sage.
12. Drucker, P.F. (1954) The practice of management. New York: Harper & Row.
13. Edmondson, A.C. (2018) The fearless organization: Creating psychological safety in the workplace for learning, innovation, and growth. Hoboken, NJ: Wiley.
14. Edmondson, A.C. (2023) Right kind of wrong: The science of failing well. New York: Atria Books.
15. Egan, G. (2013) The skilled helper: A problem-management and opportunity-development approach to helping. 10th edn. Belmont, CA: Brooks/Cole.
16. Fayol, H. (1949) General and industrial management. London: Pitman.
17. Fincham, R. (1999) ‘The consultant–client relationship: Critical perspectives on the management of organizational change’, Journal of Management Studies, 36(3), pp. 335–351.
18. Heder, M. (2020) ‘Knowledge transfer as a condition of employee dedication’, Analele Universității din Oradea. Seria Științe Economice, 29(1).
19. Kahneman, D., Sibony, O. and Sunstein, C.R. (2021) Noise: A flaw in human judgment. New York: Little, Brown.
20. Katz, D. and Kahn, R.L. (1966) The social psychology of organizations. New York: Wiley.
21. Khadija, H. (2022) ‘Stakeholders in education’, Analele Universității din Oradea. Seria Științe Economice.
22. Kipping, M. (2002) ‘Trapped in their wave: The evolution of management consultancies’, in Clark, T. and Fincham, R. (eds.) Critical consulting: New perspectives on the management advice industry. Oxford: Blackwell, pp. 28–49.
23. Kipping, M. and Clark, T. (eds.) (2012) The Oxford handbook of management consulting. Oxford: Oxford University Press.
24. Kubr, M. (ed.) (2002) Management consulting: A guide to the profession. 4th edn. Geneva: International Labour Office.
25. Kuntz, A. and Driha, C. (2022) ‘A brief overview of benchmarking as a management technique’, Analele Universității din Oradea. Seria Științe Economice.

26. Kostiuk O., Chikalkin S. (2024). The role of management consulting in the corporate governance system. Intellectualization of Logistics and Supply Chain Management: Electronic scientific and practical journal, vol. 24, p. 119-125.
27. Kun, A. I., & Dajnoki, K. (2020). A stratégiai menedzsment és az emberi erőforrás menedzsment összefüggései. In K. Dajnoki & A. I. Kun (Eds.), Stratégiai emberi erőforrás menedzsment (pp. 18–32). Debrecen: Campus Kiadó.
28. Lawrence, P.R. and Lorsch, J.W. (1967) Organization and environment: Managing differentiation and integration. Boston: Harvard Business School Press.
29. Mayo, E. (1933) The human problems of an industrial civilization. New York: Macmillan.
30. Nonaka, I. (1994) 'A dynamic theory of organizational knowledge creation', Organization Science, 5(1), pp. 14–37.
31. Nonaka, I. and Takeuchi, H. (1995) The knowledge-creating company: How Japanese companies create the dynamics of innovation. New York: Oxford University Press.
32. Poór, J. (2016) Menedzsment tanácsadás kézikönyv. Budapest: Akadémiai Kiadó.
33. Poór, J., Szabó, Sz., Németh, G., Veress, Z., Szeiner, Zs., Suhajda, Cs., Kovács, I.É., Kerekes, K. and Kálmán, B.G. (eds.) (2024) Tanácsadói ügyféligények vizsgálata: Magyarország és Románia 2024.
34. Schein, E.H. (1978) 'The role of the consultant: Content expert or process facilitator?', Journal of Counseling & Development, 56(6), pp. 339–343.
35. Schein, E.H. (1999) Process consultation revisited: Building the helping relationship. Reading, MA: Addison-Wesley.
36. Simon, H.A. (1947) Administrative behavior. New York: Macmillan.
37. Sturdy, A. (2011) 'Consultancy's consequences? A critical assessment of management consultancy's impact on management', British Journal of Management, 22(3), pp. 517–530.
38. Sturdy, A., Handley, K., Clark, T. and Fincham, R. (2009) Management consultancy: Boundaries and knowledge in action. Oxford: Oxford University Press.
39. Taylor, F.W. (1911) The principles of scientific management. New York: Harper & Brothers.
40. Vilmos, L. (2020) 'Controlling tools for decision-making in micro, small and medium enterprises', Analele Universității din Oradea. Seria Științe Economice, 29(2).
41. Weber, M. (1978) Economy and society: An outline of interpretive sociology. Berkeley: University of California Press.