



RESEARCH MONOGRAPH ON CONSULTING AND CLIENTS' NEEDS IN CENTRAL EASTERN EUROPEAN COUNTRIES

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**Komárno – Budapest – Cluj-Napoca
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Kinga Kerekes (eds)



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PREFACE „1” (ILSE ENNSFELLNER)

*„True art lies in recognizing the
essential in things.”*

(Franz Seraphicus Grillparzer) ¹

The management consulting industry makes a significant contribution to both the global and European economies, as stated in the professional standard ISO 20700 Guidelines for management consultancy services. By leveraging expertise to assist clients across various sectors in managing complexity, achieving sustainable organizational growth, fostering innovation, implementing change, and enhancing productivity, consultancy services play a crucial role in strengthening the competitiveness and innovative capacity of both the global and European markets.

Clients expect consultants to adopt a professional approach to effectively and efficiently address future problems and challenges. They seek clarity regarding what to expect from consultants, including their attitudes, values, methodologies, and approaches. The goal is to ensure transparency and understanding between clients and management consultants, ultimately leading to better outcomes from consultancy projects. This necessitates ongoing professional development for consultants, as well as for clients and the consulting industry as a whole.

For consulting companies to achieve long-term success in the market, striving for excellence in quality is essential. To enhance their potential and outcomes, consulting firms can utilize excellence and maturity models. The key success factors in management consultancy include the competence of the consultant, the quality of the consultant-client relationship, knowledge of new technologies and digital transformation, the effective delivery of consultancy projects, and the management of the consulting firm. Moreover, the concept of consulting governance refers to the professionalization of interactions between the consultant and the client, and emphasizes the decisive role clients play for a consultancy project to succeed. They define the goals, set expectations for the consultant and the consultancy process, select the consultants and provide necessary resources. Additionally, clients participate actively in the consultancy process and maintain clear communication. Thus, engaging in professional interactions requires knowledge, skills, and expertise in collaborating with management consultants, developing suitable consultancy processes, making goal-oriented and transparent selections of consulting firms, and effectively evaluating consultancy services.

¹ Franz Seraphicus Grillparzer (1791 - 1872) was an Austrian writer who was particularly known as a dramatist.

Professional consulting associations in various countries play a crucial role in representing the interests of the consulting industry to multiple stakeholders. They ensure qualifications and establish standards that facilitate comprehensive knowledge transfer while promoting the use of ethical guidelines within the profession. The primary goal of these associations is to optimize the professional framework and foster cooperation both nationally and internationally.

The further development of management consultancy relies heavily on collaboration with stakeholders, particularly in academia, the media, and national and international institutions. Consulting research is of paramount importance. The current study and survey offer valuable insights into multiple facets of the consulting industry. Such research lays the groundwork for the professionalization of management consulting as both a profession and an industry.

PREFACE „2” (PÉTER CSÁKVÁRI)

‘Successful organizations understand the importance of implementation, not just strategy, and even recognize the crucial role of their people in this process.’
(Jeffrey Pfeffer)²

The consulting sector is one of the most dynamically developing industries today, which plays a decisive role in the successful operation of enterprises and institutions at the organizational and economic level. The volume not only provides a detailed insight into this exciting field, but also presents the development of consulting needs and trends in the two neighboring countries in a way that it fills a gap.

Among the virtues of the volume is that it discusses the characteristics of the consulting market, the experiences of actors in various fields, and the challenges in domestic and international consulting practice with scientific thoroughness based on extensive empirical research. Together, the authors of the book examine the consulting processes and their effects on both Hungarian and Romanian organizational environments, based on their years of experience as researchers and practical consultants. The clear structure and logical structure of the chapters contribute to the clarity of the book and its usability from different aspects.

The book is particularly valuable in that it not only focuses on the advantages and possibilities of using consulting services, but also critically analyzes the reasons for refusing consulting. This holistic approach allows readers to gain a comprehensive picture of the complexity of the consulting industry and understand the factors that influence organizational decisions to use these services.

The volume focuses on the challenges of the future, such as digitization, the use of artificial intelligence, or changes in the economic and legal environment, which significantly transform both the development of the consulting market and the needs of clients. Through the analyses the book can serve as a useful guide for both consultants and organizations that use consulting services.

This book is intended not only for experts in the consulting sector, but for all economic and organizational leaders who want to better understand the role, effects and future directions of consulting. We can be sure that the volume "Assessment of client needs of consultants Hungary-

² Jeffrey Pfeffer (1946) American management theorist, professor of organizational behavior at Stanford University's School of Business. He is considered one of the most influential management thinkers today.

Romania 2024" will actively contribute to the development of the consulting market and increase organizational efficiency in the region.

PREFACE „3” (ERZSÉBET NOSZKAY)

*‘Management success requires learning as
fast as the world changes’.*
(Warren Bennis)³

This volume is not the first business management consultant research report in Hungary, which was prepared with the support and participation of TANOSZT. The volume to be published in 2024 is the fourth in this series, together with research in 2004, 2015 and 2020 that assessed consulting activities and materials reporting on their results. Although none of the surveys were representative, and in terms of their method, they were typically questionnaires, but overall, they adequately reflected the trends of consultants' applications and attitudes towards their current clients in relation to consulting activities.

In this regard, the present material fits into the series of previous studies. However, in my opinion, it has some remarkable features that make it different, more exciting and more informative than those published in previous years. In what?!

- on the one hand, in the content and methodological structure of the questionnaire itself. This time, it is much more practical, with questions that capture the professional essence of consulting practice in a more nuanced way from the perspective of clients. It is a special merit of the work that, in its general introduction, it places consulting activity in an international perspective, taking into account its most important moments. Furthermore, it anticipates that this time the survey on domestic consulting practice will be extended to Romanian consulting practice and examined in parallel;
- on the other hand, when asking certain questions – the quality and/or importance characteristics of important consulting activities – were solved by scaling them, which enables a more differentiated grasp and can be expressed;
- and last, but not least, the description of consultant case examples (5 Hungarian and 5 Romanian company cases) that supplement the survey and make the picture of the everyday life of clients who employ consultants much more colorful and ‘tangible’.

The research examined the data of 152 Hungarian and 64 Romanian organizations (companies, institutions, non-profit organizations). Regarding the ownership structure of the responding organizations, state and local government ownership dominated in Hungary, while

³ Warren Bennis (1925–2014) was an American social scientist, organizational consultant, and management writer who is considered a pioneer in management research and publications.

domestic private ownership dominated in Romania. Based on company size, medium and large companies in Hungary and small and medium-sized companies in Romania predominated among the respondents.

Overall, the results obtained from the research and their colorful and interesting description are interesting and can be heartily recommended to professionals interested in and practicing consulting, clients of counselors, and even to all instructors and students participating in consulting education at the university level. And not only within Hungary and Romania, but also in the EU countries.

And finally, as a teaser, I would like to highlight some interesting things from the study for me - assuming subjectivity.

The conclusions of the surveys show that more than half of the responding organizations have already cooperated with a consultant, and these organizations usually employ external experts on an ongoing basis. Consulting services are popular mainly in the fields of training, HR, finance, risk management and marketing. In both countries, the personal relationship and building of trust between the consultant and the client is of utmost importance, which is the basis of successful cooperation.

The effectiveness of consulting processes is greatly influenced by the role of the evaluator in the organization. The research showed positive results in both Hungary and Romania. In Romania, innovation, and in Hungary, extensive experience, are key considerations when selecting consultants.

Adapting to the challenges of the VUCA world (volatile, uncertain, complex, ambiguous environment), organizations are increasingly developing themselves with the help of consultants. Even in the current BANI era (brittle, anxious, non-linear, incomprehensible), there is a great demand for consulting services, which is stimulated by the maintenance of competitiveness, digitalization, legislative changes, artificial intelligence and changes in the economic situation.

The research revealed that although one-fifth of the organizations do not employ a consultant, some of them are planning to use consulting services in the next two years, primarily due to increasing competitiveness and the challenges associated with digitalization. The main reason for the rejection of consulting in both countries is lack of financial resources and knowledge of appropriate specialists.

EXECUTIVE SUMMARY

(JÓZSEF POÓR, ERIC SANDERS, DÁVID SZABÓ, GÁBOR LÁNCZ, ILDIKÓ ÉVA KOVÁCS, PÉTER MERZA, ZSUZSANNA SZEINER, CSILLA JUDIT SUHAJDA, BOTOND KÁLMÁN, GERGELY NÉMETH, ZOLTÁN VERES)

'I can't teach anyone anything.

I can only make them think.'

Socrates⁴

A total of 152 Hungarian and 64 Romanian organizations (companies, institutions and non-profits) responded to our empirical research. Based on the ownership structure of the respondents, in Hungary it shows a high proportion of state and local government ownership while in Romania domestic private ownership dominates among the respondents. The proportion of foreign-owned and mixed enterprises was higher in Hungary while the proportion of non-profit organizations was similar in both countries. In terms of organizational size, small and medium-sized enterprises dominate in Romania, while in Hungary the proportion of medium-sized and large enterprises is higher among the responding organizations. In terms of the sectoral distribution of enterprises, in Hungary the industrial, public and IT sectors are the most dominant, while in Romania agriculture and other service sectors (e.g., tourism, private healthcare) dominate.

Based on the ownership distribution, size, number of employees, sales, and other characteristics of the companies participating in the research we can see that the organizational sample - the respondents - is not completely representative. Ensuring representativeness would have exceeded the resources of the research. Nevertheless, the research as a whole brought to the surface important new data and information that had not been examined so far in terms of examining the needs of consultants' clients in Hungary and Romania.

More than half of the organizations participating in the research have already collaborated with a consultant in some area of organizational management, and most of these organizations regularly employ a consultant. This result clearly indicates that the first assignment helps to break down the psychological barrier, the client's aversion/distrust, and henceforth, it is much easier to involve a management consultant in his work on a regular basis. The survey revealed that customers are happy to cooperate - at least in some areas - with the familiar, proven consultant. The areas most often indicated by the respondents where management consultants are employed

⁴Socrates, died 399 BC. He was a Greek philosopher who lived in ancient Athens. Personally, he is considered the founder of Western philosophy and one of the best-known figures in the ethical tradition of such thought. His teachings on moral philosophy are also very significant and well-known.

in the Hungarian and Romanian samples include training, HR, finance and risk management, and marketing.

The responding organizations, both in Hungary and in Romania, consider the building of a personal relationship between the consultant and the client and the process of building mutual trust to be extremely important. The Hungarian and Romanian experiences of the research clearly prove that consulting is a trust service in which personal relationships and direct positive experiences are unavoidable elements of a successful selection. It seems that the process of domestic organization development requires facilitation by consultants regardless of the VUCA world, i.e. similar to Western European and Anglo-Saxon organizational culture, domestic organizations no longer select consultants to solve a specific problem situation in a follow-up manner, but also follow their own evolutionary organizational they also use the consulting experience to support their development. In addition to all of this, it draws the consultants' attention to the fact that, according to the respondents, it is still difficult to find a good management consultant and there are still insufficiently competent players in the consulting market - a claim that was confirmed in the research.

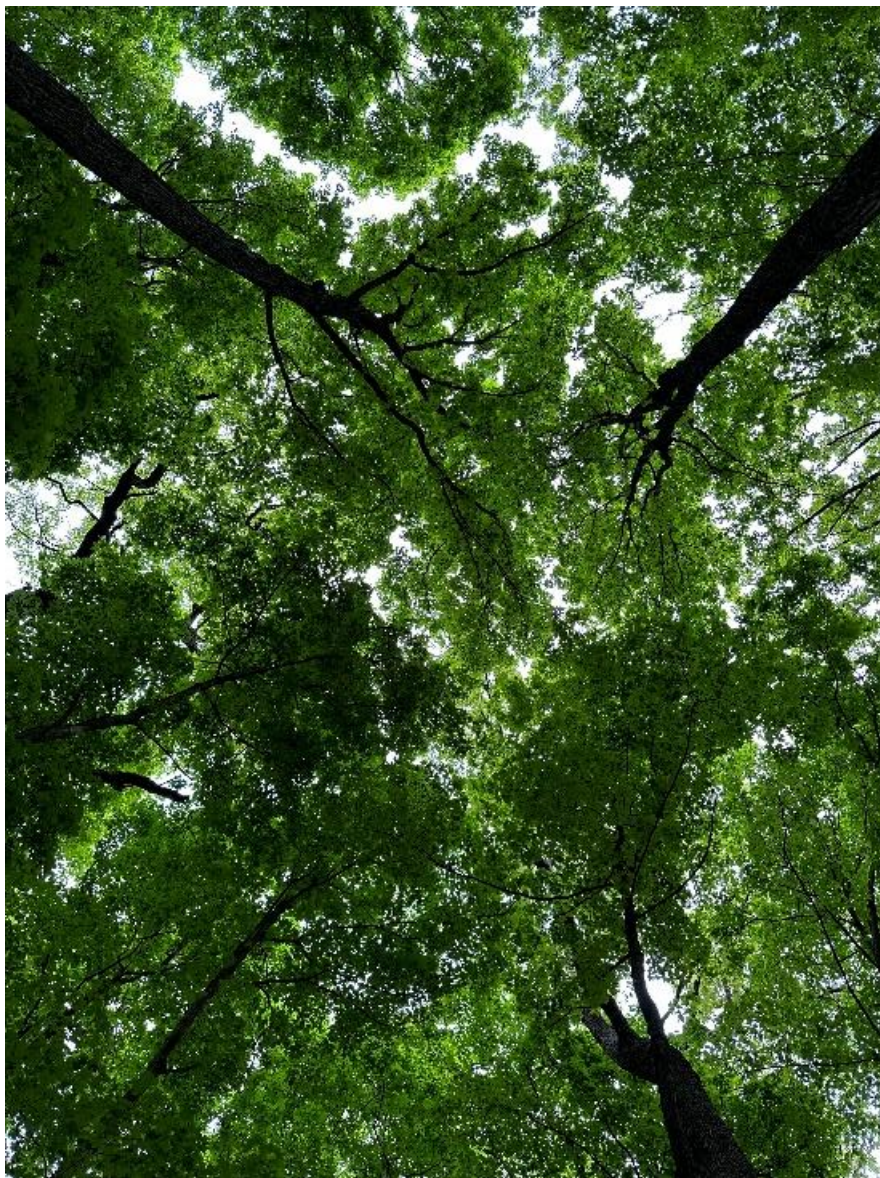
In the course of the research, it was established that the evaluation of the effectiveness of consulting processes depends to a large extent on the role of the evaluator in the organization. The analysis showed that the results of the research conducted in Hungary and Romania were more positive than expected. In both countries, the inclusion of external knowledge is highly valued, but in Romania the emphasis is on innovative approaches, and in Hungary on the consultants' extensive experience.

Everyone knows that in previous decades we lived in volatile, uncertain, complex and ambiguous VUCA times. While today we live in the BANI period when everything is fragile (Brittle), Anxious, Nonlinear and Incomprehensible. We know well from historical examples that epidemics, wars and other problems that threaten humanity have existed in other times. From our current research, it can be concluded that four-fifths of the surveyed clients in both Hungary and Romania - in this difficult economic situation – still count on the professional services of consultants in the future. The respondents interviewed would mostly use the professional services of external consultants due to the following five factors: (1) Maintaining/increasing competitiveness; (2) Digitization; (3) Significant legislative changes; (4) Artificial intelligence, robotization and automation, and (5) Significant change in the economic situation.

Our research results draw attention to the fact that one-fifth of the examined companies in Hungary and Romania do not currently employ a consultant. However, one-third of these companies are planning to use this service in the next two years. Their reasons are the same as those of the companies currently employing the consultant. Primarily, they plan to seek a

consultant in order to increase competitiveness and solve the challenges associated with digitalization, as well as in order to adapt to the changing economic situation.

Both Hungarian and Romanian enterprises mainly justified the non-use of consulting services by the difficulty of creating financial resources and the lack of knowledge of the appropriate specialists. It is typical of the Hungarian sample that they are basically aware of the characteristics, peculiarities and actors of the consulting market, but either because of previous experiences or because of distrust, they did not take advantage of the possibilities of the service. On the other hand, based on the responses of Romanian companies, we can find that trust and openness towards consulting services is much greater than in the case of Hungarian respondents: the proportion of those who reject consulting is negligible.



Morton Arboretum, Lisle, IL, USA, photo by Eric Sanders

1 INTRODUCTION

(JÓZSEF POÓR, ERIC SANDERS, ZOLTÁN VERES, ZSUZSA SZEINER, KINGA KEREKES, GERGELY NÉMETH)

*‘Every consultant knows that they are their clients,
he is their teacher, and his knowledge lives from theirs.
The consultant does not know more. But he saw more’.*
(Peter F. Drucker)⁵

The opinion is still valid today that there are few professions in the world about which as many negative and positive features have been described in recent years, both here and beyond our borders, as leadership/management consulting (hereinafter referred to as consulting).

Our aim with this research monograph is not to defend this field of expertise. Rather, we would like to highlight why different clients in Hungary and Romania turn to consultants.

What is described here is not the result of representative research, but we rely on the opinions of the currently interviewed organizations (companies and institutions).

In order to better understand what is described in our research monograph, in each chapter we will explain the most important literature concepts related to the examined topic relying on numerous sources of literature.

1.1 ABOUT CONSULTING AND CONSULTANTS

1.1.1 CONCEPT

In our Consultancy Handbook published by the Academic Publishing House in 2022, we wrote the following about the concept of management consulting (Poór, et al., 2022: 20-21). ‘Beyond semantic and stylistic differences, the approaches and formulations of the basic concept of consulting can basically be divided into two main groups (Kubr, 1996; Markham, 1999; Kipping-Clark, 2012; Weßel, 2013)’.

- **Ability to help:** One group includes the authors who aim for any activity or function to help (including problem detection and problem solving) in the concept of consulting. In this interpretation, we can advise people and groups of people in solving and helping their

⁵ Peter Ferdinand Drucker (1909-2005) was a management consultant of Austrian origin, born in Vienna and emigrated to the USA due to Nazism, university lecturer and author of a large number of management books, whose writings contributed to the philosophical and practical foundation of modern management theory. Drucker avoided using the term consultant in his works. However, he exerted the greatest influence on the theory and practice of management mostly through his various consulting works. It was his first work of this kind, in 1943, when he was asked to analyze the organizational structure of the American General Motors Corporation.

various problems and developmental issues (Dávid, 2012) as well as organizations and businesses (Markham, 2002; Ferguson, 2019). Such an activity can be given not only by an external independent person but also by an internal organizational unit or person.

- **Assistance at the organizational level:** According to the opinion of the members of the other group, consulting can be considered a professional service that can only be performed if a number of factors (e.g., legal, financial, organizational independence, appropriate professional preparation) exist (Greiner-Metzger, 1983). According to the truly relevant formulation of Wesel (2013: 20), ‘consulting is nothing more than what others decide to implement’.

Table 1.1 Typical competencies of consultants

- | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none">1. Integrity and honesty – a commitment to act and advise ethically.2. Balanced – stable personality with well-developed interpersonal qualities and skills.3. Independence - always committed to providing objective advice.4. Curiosity - they always try to fill in the gaps in their knowledge.5. Clear communicator – as a questioner, listener, speaker and writer.6. Qualified and experienced – Expertise in specific management functions and issues and a broad range of comprehensive knowledge in functional management areas.7. Intuition and awareness of current challenges facing organizations and their leadership, as well as emerging trends and technologies.8. Proficiency in problem identification and critical thinking with the ability to use appropriate diagnostic and analytical tools and techniques.9. Ability to ‘solve dilemmas and difficult situations’ and to work ambiguously, find innovative solutions to ‘wicked problems’ that have no definite formula and perhaps no right answer, only good or bad results.10. Sense of timing - sophisticated sense of when to act, aware of the reality of the situation.11. Result-oriented - ability to understand the future of their recommendations and the resulting actions.12. Successfully assist clients in implementing solutions and building capabilities when called upon. |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Source: Kubr (1996), Dawson (2004) and Blackman (2024).

The first consulting association was founded in 1940 in the Netherlands (ICMCI, 2022). Currently, there are two major international consultancy umbrella organizations operating in

Europe and the world, which, together with their national member associations, are important representatives of corporate professionalism (Kirkpatrick, et al., 2023) in the consulting areas we examine:

FEACO (European Federation of Management Consultancies Associations) was founded in 1960 and today brings together 15 national associations, its headquarters are in Brussels. According to the indicated European association, *'Management consulting covers a wide range of services and can be defined as independent advice and support on management issues. In a world that is constantly becoming more complex, but also faster, the need and requirement for neutral, expert advice from outside is more important than ever. The management consultant is therefore a provider of help, a supporter, a spokesperson, but also a seizer of opportunities, a problem solver and a decision maker.'* Feaco, 2024).

CMC-Global (ICMCI) is an International Management Consulting professional body, which consists of members from the Management Consulting Institutes (Institutes of Management Consulting-IMC) operating in individual countries. The mission of the indicated organization is to take a leading role in the development of management consulting as a global profession that is the driving force of social and economic success. Founded in 1987, the professional organization comprising 49 national organizations disseminates the concepts and interpretations related to consulting in standard formulations (ICMCI, 2024).

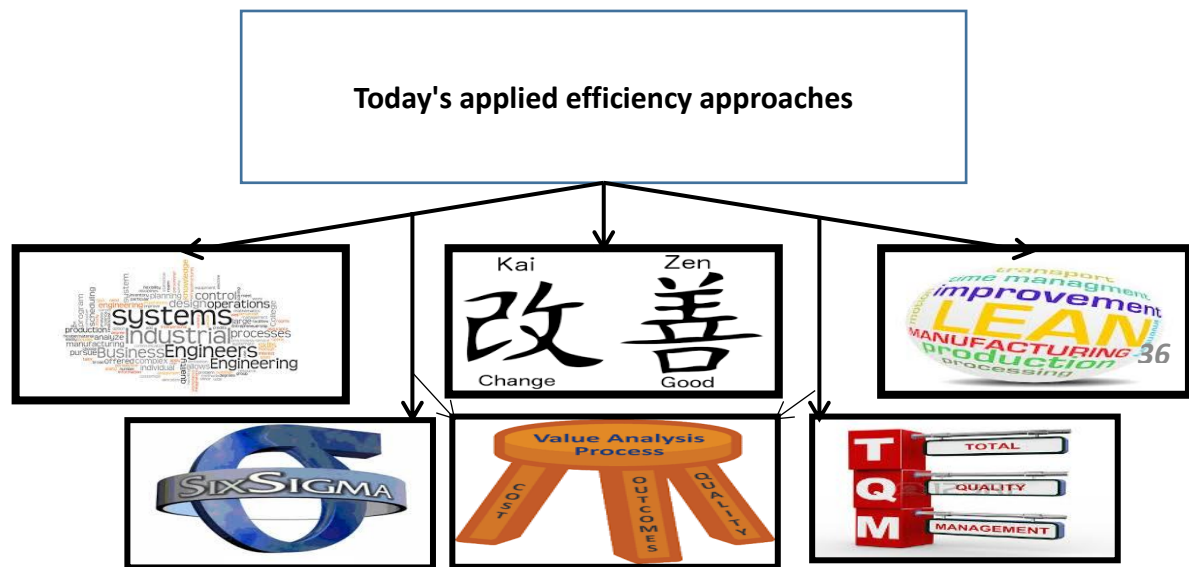
'Professional buyers of management consulting worldwide define the most important requirements of management consulting in ascending order of priority: knowledge (of management, function, sector, general economy, process and business professions), skills (analytical and other -personal), competence (the ability to maintain close contact with the client during the assignment) and trust (preserving organizational secrets, confidentiality, integrity). Major buyers are aware that MBAs and other Masters in Management degrees provide evidence of foundational knowledge and analytical skills and, depending on the course, possibly some consultancy courses and a short period of relevant work experience'.

In the meantime, following the encouragement of the aforementioned consultants' associations, the relevant ISO standards for consultants and consulting were born in this area, as well. The first standard for management consultancy services - EN16114:2011 'Management Consultancy Services' - was developed by European consultants and published in 2011 (MSZ-EN 16114, 2012). In 2017, ISO 20700:2017 was published, which provides guidelines for the efficient and standardized provision and implementation of management consulting services.

1.1.2 ORIGIN AND DEVELOPMENT

Consulting is not a modern activity. Its elements can be traced back thousands of years. Nowadays, there is hardly any business activity where it is not used (Wandoff, 2016).

The consulting practised today can be derived from a number of clearly distinguishable sources. One trend was the scientific management trend marked by the names of F. Taylor, L. Gilberth, H. Gantt and Frank B. Gilberth, whose work resulted in the emergence of so-called 'efficiency experts' in American companies during World War I (Poór, et al., 2022:35; Németh, 2012).



*Figure 1.1 Efficiency approaches
Source: Authors' own research*

The second wave of consulting was related to the trend of human relations, which appeared in the 20s of the last century. Its best-known representative was George Elton Mayo, who noted the relationship between efficiency and mental health and then made suggestions for reducing workplace stress (Peak, 2023).

The third source of today's consulting is related to the founding of one of today's best-known consulting companies in 1926, which was created by James O. McKinsey, a professor in the accounting department of the University of Chicago. The founder ran the company until 1937, when he died of pneumonia. Later, the Chicago office was separated from the New York office, and the successful A.T. It continued to operate under the name Kearney, while the New York office continued to work under the McKinsey & Company logo under the leadership of Marvin Bower. Even though McKinsey & Company had broader ambitions than accounting even then, the Chicago office still depended on a lot of accounting work that Bower tried to eliminate in New York (Poór & Szabó, 2024).

Over time, the company managed to become a dominant organization in the consulting industry with, among other things, a specific and difficult to repeat analytical approach (Lorsch & Durante, 2013), the acquisition of the best MBA students (Bartlett & Goshal, 1997) and the construction of a conscious international office network (Bhidé, 2000).

The number of organizations and divisions (corporate diversification) increased from 1910 (400 companies) to 1980 (2,600 companies) employing 1,000 people. The 1960s became the era of conglomerates. Operational efficiency was not enough to manage such huge corporations. Strategic management was also necessary, which made it possible to bridge the increase in the size and complexity of the industrial sector, as well as the management of the previously mentioned large companies (Faust, 2002).

According to Blackman (2024), in the three decades World War II, management consulting organizations and business schools, such as the Boston Consulting Group, McKinsey & Company, and Harvard Business School, laid the foundation for the most important sectors of today's consulting by developing analytical tools for strategic decision-making.

The fact that during and after the Great Depression of 1929-1933, various companies sought the expertise of consultants (e.g., New Deal) made a significant contribution to the development of consulting, in order to return to normality and take advantage of new opportunities. But they gave a significant boost to the consulting market and also the orders of the American government aimed at reducing process organization and bureaucracy during World War II (McKenna, 1995).

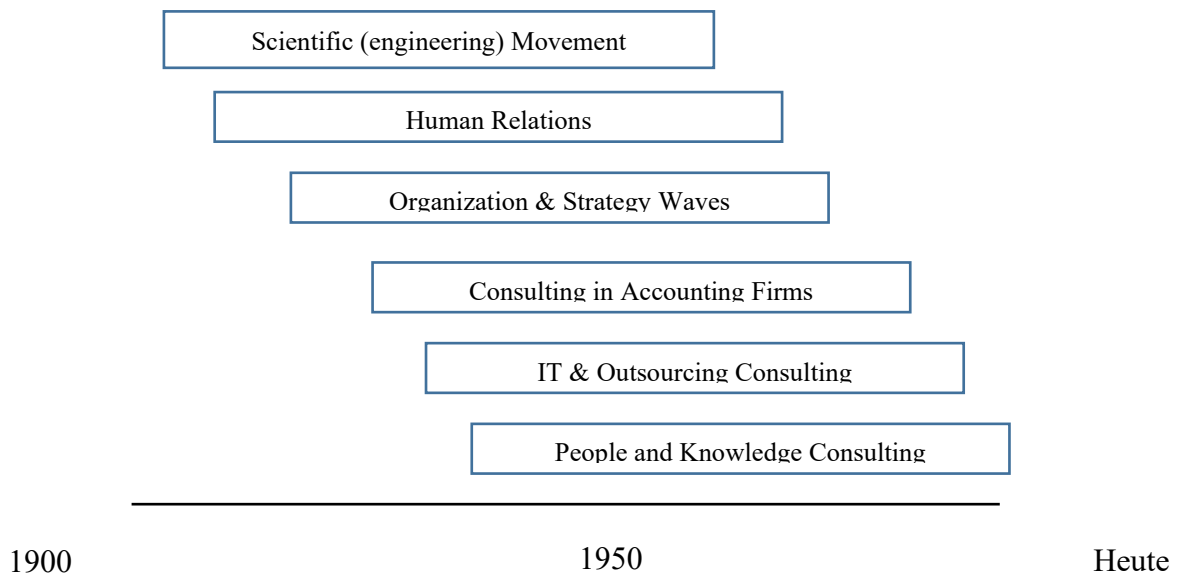


Figure 1.2 Consulting waves
Source: Authors' own research

1.1.3 OD WAVE IN CONSULTING

Many professionals and researchers believe that science should be brought into organizations. An important role in this process was played by the so-called Action science and Action Learning, the research results of Kurt Lewin and his followers and colleagues (e.g.: Cummings & Worley, 2009).

In the 1950s, the trend of using behavioral science knowledge to solve organizational problems began, which gave birth to OD-based process consulting. An important aspect of Process Consulting based on OD values (Schein, 1990) is that changes are implemented not only by higher-level decision-makers but also by directly affected members of the organization. Systemic changes must be implemented on several levels so that the changes really happen and remain permanent. Learning competence must be brought into the organization at the individual, group and organizational level, so that the organization is able to react to changes in the environment and adapt as a result of its own learning competence. OD does not think in terms of intervention tool(s) but articulates the value environment in which it uses various tools and in which its objectives can also be formulated (Torma et al., 2016).

The different approach to OD consultancy is well illustrated in Model 1.2 presented in the table.

Table 1.2 Key focuses to three major consulting practices.

Consultant Emphasis	The Advice Model	The Process Model	Inquiry Model
What is the Consultant's task?	Solve problem	Solve problem	Achieve the Client's desired outcome
What should the relationship between Consultants and Clients be like?	Consultant transfers or delivers knowledge to Client	Consultant and Client work together on human relationships and organization dynamics	Consultant and Client are partners on technical and social/ human dimensions of change
Who is the expert?	Consultant is the expert brings knowledge and best practices	Consultant is a „helper“ or process expert	Client and Consultant each bring different types of expertise to bear on achieving the outcome
How should the Client's capacity be increased?	Transfer knowledge in the form of product or service	Help clients learn to work together more effectively	Client and Consultant co-create knowledge needed to achieve the outcome
How much attention should the Consultant give to the uniqueness of each Client organization or community?	Low (knowledge transferable across contexts)	High	High



Source: Brooks, A. & Edwards, K. (2014). Consulting in Uncertainty – The Power of Inquiry. New York: Routledge p.19.

1.1.4 ADVISORY SERVICES OF ACCOUNTING COMPANIES

Deloitte, KPMG, PWC and Ernst & Young are the four big service companies (Big Four). These firms specialize in accounting rather than management consulting. Nevertheless, they played a significant role in shaping the consulting industry into what it is today. Of course, all of them also have a management consulting leg.

In the 1970s, the large international accounting firms established their management consulting departments ("Big Six": Arthur Andersen, Price Waterhouse & Coopers, Deloitte & Touche, Ernst & Whiney, Arthur Young, KPMG). The income of the advisory department (advisory service) has already exceeded that of the auditors.

One of the most important events was the adoption of the Sarbanes-Oxley Act (2002), on the basis of which an attempt was made to deal with the issue affecting large consulting firms, which was preceded by the collapse of several large firms.

1.1.5 IT CONSULTING

In the previously mentioned 2022 English-language Consultants' Handbook, co-authors Kornai, Bojta and Heteyi (2024) wrote the following about the role and transformation of IT consulting

‘The role of IT consultants has increased significantly in recent years and is still growing today, as the technological development in the field of IT has reached a level that only IT consultants with expertise can process and integrate with user knowledge in the case of economic actors’.

The growth of IT consulting far exceeded the growth of other consulting areas. Originally, IT companies (IBM, HP, etc.) provided various consulting services. Later, traditional consulting companies also recognized the market potential of this area.

1.1.6 HR CONSULTING

The role of HR was particularly valued by the realization that market success no longer depends primarily on the acquisition of physical tools, equipment and technology, but on the use of prepared human resources with appropriate skills, knowledge, experience and commitment (Effron et al., 2003; DeCenzo et al., 2013; Mayrhofer, Furtmüller & Kasper, 2023).

The rise of HR consulting in Hungary began after the regime change. In the initial period, HR consulting was mostly related to cooperation in staff reductions accompanying privatization.

Later, with the qualitative development of the HR profession, the range of different HR consulting services also expanded.

1.1.7 OTHER RELATED CONSULTING AREAS

In many areas of socio-economic life, there are also consultants in various capacities who, in part of their work, also carry out activities related to the previously presented consultancy. In the following, we show some of them without claiming to be complete:

Thus, among other things, it is worth highlighting the occupation of agricultural consultants (extension in English) (Kozári, 2019).

Project consultants are versatile professionals who often provide guidance, support and assistance for a wide range of project-related business needs. The project management consultant provides project management advice to external companies. A company may hire a project management consultant if it lacks project management expertise or needs project management advice from an external, impartial party (Tristancho, 2022). Having the well-known international PMI (Project Management Institute) certification is a particularly good basis for project management consulting.

Psychological counselors provide external help in solving emotional and behavioral problems (Dávid, 2012) and thus this field belongs to the system of professional helping relationship activities (Kissné & Mogyorósy, 2019). The work carried out in this area includes education, career guidance, law enforcement, clinical and mental hygiene, and work and organizational psychological counseling.

Another special area is coaching and its business coaching activities, during which the coach examines and analyzes the workplace competencies of the coached person or group and scrutinizes them (Fenyvesi & Ádám, 2016; Radatz, 2023; Asgodom, 2024).

1.2 CENTRAL AND EASTERN EUROPE

1.2.1 GENERAL TRENDS

In general, before the political changes of the late 1980s, consultancy services were provided by government-run sectoral research institutes, universities or departments of some ministries in most Eastern European countries. In most countries, the central organizations for management consulting were established with the help of the International Labor Organization (ILO) or the UN organization, UNIDO. In these countries, within the framework of the previous system, the features of modern management consulting were only traceable. In most cases, the

characteristics of the previously mentioned scientific management trend were typical (Ciumra, 2014).

Since the regime change, privatization-related consulting has developed significantly in all countries. Billions of euros flow into these countries through the European Union's PHARE program, and the consultants played an important role in the creation and implementation of the various programs. At the initiative of FEACO, consulting associations were established in almost all countries. Kubr's previously mentioned (1996) books and publications have been translated into several local languages. Despite the marked growth, Eastern Europe is still a very modest part of the European consulting market. In recent years, the global decline in consulting has hardly been felt in our region. Today, consulting is one of the most developing economic services in Eastern Europe.

Table 1.3 Consulting industry in CEE region

Before the political change (1989<)	After the political change (1989-today)
<ul style="list-style-type: none"> ❑ Before the political changes at the end of the 1980's, in most Eastern-European countries consulting service was rendered by sector research institutes controlled by the state, or by departments of different ministries ❑ In the previous regime the characteristics of modern management consulting were very scarce in these countries. 	<ul style="list-style-type: none"> ❑ Appearance of foreign consultancy ❑ Projects financed by Phare and World Bank ❑ Privatization boom ❑ Increasing role of local consultancy ❑ EU projects ❑ Impact of the economic crisis ❑ Emerging issues: <ul style="list-style-type: none"> ○ labor shortages & labor retention, robotization ○ innovative HR solutions ○ different forms of coaching ○ etc. ❑ Impact of COVID-19 and war

Source: Authors' own research

1.2.2 HUNGARY

The Hungarian consulting market followed the same development path in many respects as the previous one outlined in Table 1.3.

According to the latest FEACO (2023) research report, the annual growth of the European consulting market in 2023 may be an average of 10 percent. In several countries (e.g., Hungary, Italy and Spain), the growth rate of annual sales is slowing significantly. In the case of our country, this value will not reach 3 percent in the indicated year.

Based on the aforementioned research report and other sources (Lánc et al., 2022), it can be said that the size of the domestic consulting market is less than 500 million euros and the number of consultants employed here is well below 10,000 people.

The previously mentioned unfavorable growth trend is further shaded by the picture that emerges from the latest fee survey of the VTMSZ (2024). According to the indicated survey, the calculated daily fee was HUF 188,000/consultant/day, while in 2022 it was HUF 201,000/consultant/day, which is a 6% decrease. The decrease was more significant in the case of large companies. In the case of micro/small consulting companies and medium-sized consulting companies, an 8 percent increase was calculated during the research.

1.2.3 ROMANIA

In the Soviet-type planned economy, management consulting had no place, except for a few special cases, in Romania after WWII. Since the regime change, consulting activities have appeared in Romania (Ciumara, 2014).

The FEACO (2019) report estimated the management consulting market in Romania at approximately EUR 527 million in 2018. Although more than 39,000 companies are registered under NACE code 7022 (Management Consulting), most of them are inactive or offer consulting to an extremely limited extent. According to our estimates, the real number of Romanian companies focused on consulting was around 1,500 in the indicated year. In the indicated year 2019, the sales revenue per 15,000 professionals amounted to 48,500 euros (FEACO, 2019).

The growth of the consulting market in Romania in previous years seemed to slow down in 2023. After the number of companies engaged in consulting in the company register continuously increased between 2019-2022, in 2023 this number decreased slightly compared to the previous year, but the 3.8 percent fewer companies with 5.2 percent more employees are overall 23.4 percent higher sales and 10.6 percent more profit (AMCOR, 2023). The fact that the vast majority of more than 23,000 companies registered with NACE/TEÁOR code 7022 (Management consulting) do not or do not carry out consulting activities to a limited extent or are inactive. According to AMCOR (the professional organization of consultants in Romania), at the end of 2022, approximately 2,300 companies carried out real consulting activities in Romania, the estimated number of employed professionals is 19,000 and the sales revenue achieved during the year 2022 is approximately 710 million euros. The vast majority of consulting companies are small companies, based on surveys conducted by AMCOR over the past ten years, barely 15 percent of companies have more than 10 employees and a turnover of more than 1,000,000 euros. Participation in the drawing of EU funds and the implementation of subsidized projects, as well

as the diversification of services and more effective promotion, contributed greatly to the increase in sales revenue. Consultancy companies face difficulties due to the unpredictability of economic trends and legislation, as well as delays in the announcement and payment of EU subsidies. It is typical that the activities of consulting companies are directed at former clients to a greater extent than at newly acquired clients. Companies prefer experienced professionals, 92 percent of employees have more than 5 years of experience. The daily fee of senior consultants in the capital can reach 1,200 euros, but in the less developed regions of the country, junior consultants can expect a much lower daily fee of 90 euros per day (AMCOR, 2023).

1.3 REASONS OF USING CONSULTANTS

According to various literature sources, consulting has traditional and so-called novel reasons.

1.3.1 TRADITIONAL REASONS

According to different sources published in the eighties of the last century, the reasons for using counseling in the United States were as follows (Turner, 1982):

Providing information to the customer.
Solving the customers' problems.
Making a diagnosis, which may require redefining the problem.
Formulating recommendations based on the situation assessment diagnosis.
Assisting in the implementation of recommended solutions.
Building consensus and commitment around corrective actions.
Facilitating customer learning – that is, teaching customers how to solve similar problems in the future.
Improving organizational efficiency permanently.

One of the important professional and literature sources of domestic consulting that emerged after the regime change was the works and lectures given by Milan Kubr (1996), who was born in the Czech Republic and lived in Switzerland and worked at the ILO (International Labor Organization). In his opinion, there are five reasons why consulting is needed:

1. assistance in achieving organizational goals and objectives,
2. solving management and business problems,
3. identifying and seizing new opportunities,
4. enhancing learning,
5. implementing changes.

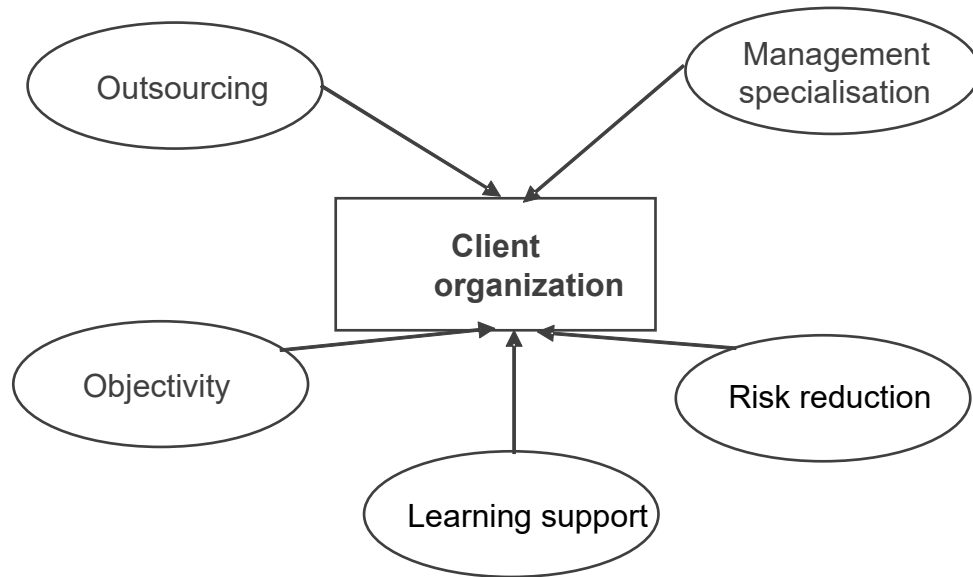


Figure 1.3 Reasons of using consultants
Source: Authors' own research

1.3.2 EMERGING REASONS

The consultant is less and less a transmitter of ideas and knowledge, but more of an energizer and energy transmitter (human energy), i.e., a generator and leader of changes. The consultant's main task is to reach and share the results together (sharing results). In the future, consultants will play the role of partners rather than external service providers. The continuous integration of new technology into counseling work will be of fundamental importance in the future (Larson et al., 2020; ADL, 2024).

Nowadays, in the field of management education, the solution of consulting-type project tasks related to various management-organization subjects is spreading (Broady & Raider, 2024). It should not be forgotten that consultants are appearing in more areas of socio-economic life. For example, in the United Kingdom, more than 22 percent of annual consulting revenues come from the public sector (Sturdy et al, 2022).

1.3.3 REASONS AND INFLUENCING FACTORS OF USING CONSULTANTS

The question legitimately arises as to why external consultants are employed much more in the economy of one country by various organizations (e.g., companies, institutions, non-profit organizations, etc.) than in other countries.

The extent to which clients in a given region turn to consultants is explained by some authors as the effect of the following three factors (Lafitte, 2022b).

1. The economic growth of the region enables the ability to invest.
2. The structure of the economy shows which industries spend the most on consulting.
3. Local culture influences the willingness to cooperate with external partners.

Barthelemy (2019) believes that the use of consulting is high in countries where economic development and innovation are particularly high, and where the national culture shows a relatively low degree of uncertainty avoidance (Hofstede, 1980; Szeiner et al., 2020). Other authors (Haslam et al., 2018) recommend a calculation based on the following five factors, based on which they prepare the CRI (Consultant Readiness Index)

- a) Hofstede: Individualism-collectivism (IDV), characteristics of national culture,
- b) Index of Economic Freedom (IEF) (The Heritage Foundation, 2018),
- c) e-Government Development Index (EGDI) (United Nations, 2018),
- d) Global Creativity Index (GCI) (Florida et al., 2015).
- e) Corruption Perceptions Index (CPI) (Transparency International, 2018).

1.4 THE FUTURE

In publications published before the coronavirus crisis, the authors emphasized the following (Singla, 2017).

Consulting firms must consistently seek new solutions for their clients.

They draw attention to the fact that nearly 20 percent of the global consulting revenue comes from Indian consulting companies.

A consulting firm has only three differentiating points/assets: people, process and knowledge.

Client organizations are reluctant to pay for junior consultants, which threatens the entire business model of consulting firms.

Seeking radical innovations (and not just cost-cutting efficiencies) for which a traditional consulting approach may not be the right answer.

The president of the Canadian Consulting Association, Beek (2017), in his forecast published in the pre-Covid-19 period, identified the following five possible development directions for the consulting industry:

The proliferation of low-cost service providers.

The mainstreaming of the freelance economy.

Oversaturation of the consulting industry.

The spread of high specialization.

The transformation of consulting work processes

Nearly half of the respondents to the Hungarian VTMSZ (2024) fee survey quoted in the previous subsection believe that they will be able to increase their sales revenue from consulting significantly above inflation in 2024.

Recently, large consulting companies have been investing significant sums in the so-called into the development of their technology departments, an important area of which is artificial intelligence (AI) (Köhler & Finkeisse, 2024).

Graham's (2023) forecast is related to the trends indicated above, in which the following six important trends are highlighted by the indicated author:

Significant change in technology (e.g., AI).

Increase in specialization.

Wide application of digitization.

Collaborative partnership with other companies (e.g., tech companies).

Remote and virtual counseling.

The focus will be on sustainability and social impacts.

1.5 ABOUT OUR EMPIRICAL RESEARCH

Our empirical investigation to be presented in our research monograph is not a new initiative. We have already examined the global (Poór & Suhajda, 2023), European (Poór et al., 2008, 2010, 2011) and Eastern European consulting market and services (Poór, 2019; Szeiner, 2020; Poór et al., 2022) development and situation.

1.5.1 OBJECTIVE

The InterCons research group - which consists of researchers from various universities in Central and Eastern Europe (CEE) and the United States - has launched a new research project to assess changes in consulting client needs.

In the current phase of the research, we used an online questionnaire to examine how companies/organizations view the work of management consultants (consulting in short).

1.5.2 METHODS

We used a one-respondent research questionnaire, i.e. we asked only one respondent from an organization.

Our research was not representative. With its help, we can only refine the information on our research topic so far.

What is new, however, is that we also prepared case descriptions for each responding organization, some of which we present in our monograph.

Our applied questionnaire covers the following issues:

- a) In the introduction to the questionnaire, we ask for the name and organizational level of the responding organization (independent or part of a larger unit)
- b) In the framework of the other, larger request form unit, we query the most important aspects related to the use of consultants (method of receiving requests, frequency, areas).
- c) In the next part of the same questionnaire unit, we examine experiences and impressions related to the use of consultants (reason and method of application, financial size of application, effectiveness of work, possibilities and reasons for future application).
- d) In the framework of a subsequent questionnaire unit, we will analyze the experiences and reasons of those organizations that have not used external consulting in any field so far.
- e) In the last part of the questionnaire, we examine what characterizes the responding organization (sector, form of ownership, size, origin) and person.

1.5.3 RESEARCH RESULTS

The results of our empirical analyses are presented in the eight case studies listed below and the responses of the users of counseling:

Chapter 2: Use of consulting

Chapter 3: Reasons and criteria for selecting a consultant

Chapter 4: Beliefs about consulting

Chapter 5: Future employment of consultants

The responses of those who did not use consulting services

Chapter 6: Reasons for those who do not use consulting

Chapter 7: Future possibilities of use for non-users of consulting

Characteristics of all respondents

Chapter 8: Characteristics of the examined organizations and respondents

Cases:

Chapter 9: Consulting cases from Hungary and Romania

Areas similar to consulting

Chapter 10: Related areas of management consulting

The structure of each chapter is as follows.

First, we describe the lessons that can be learned from the most important literature sources of the problem area examined during the research. Next, we present the most important results and conclusions of the empirical research belonging to the given chapter.

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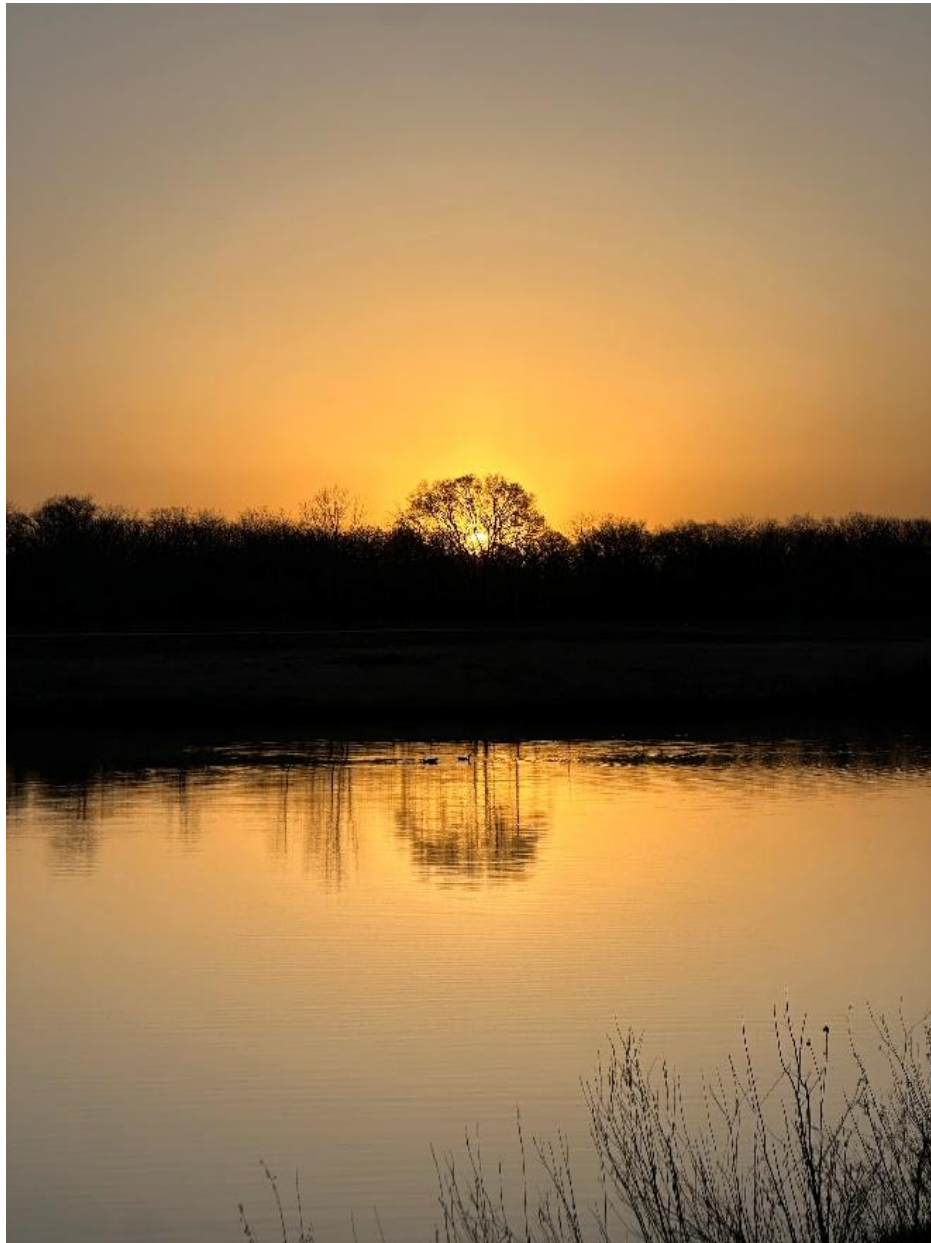
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Dawn at Cricket Creek, Addison, IL USA, Photo by Eric Sanders

2 USE OF CONSULTING

(ZSUZSANNA SZEINER, JÓZSEF POÓR, IMRICH ANTALÍK)

'A consultant solves other people's problems.

I could never do it. I want to help others solve their own problems'.

Charles Handy⁶

2.1 GENERAL TRENDS OF USE OF EXTERNAL CONSULTING SERVICES

In the more than a century since consulting has been used as a business service by various organizations, a number of contextual factors have influenced the use of such activities. In Chapter 1 of our volume, we have already written about the chronology of the various consulting services. Here we briefly refer to the influencing factors that facilitated the use of consulting services in the given period:

Based on the unanimous opinion of various sources, it can be said that the spread of industrial plants and production systems and the use of a larger number of blue- and later white-collar workers played a significant role in the creation of "Scientific Management" consulting based on Taylor's principles (Poór, et al., 2022; Németh, 2012).

As a result of the correlation between improving efficiency and mental health, "Human Relations" consulting work appeared in business practice (Peak, 2022).

The appearance of large American companies in the 1930s and the Second World War. Large-scale American state projects created during and after World War II both contributed to the creation of "Strategic Consulting" approach (McKenna, 1995; Kulcsár, et al., 2016).

The Big Six (later Big Four) accounting firms started the so-called "Advisory", that is, the construction of its advisory departments (Saint-Martin, 2004).

Following the research results of Kurt Lewin and his followers and colleagues, behavioral science appeared in the life of various organizations in the form of "Organization Development" or "Training" consulting (Cummings & Worley, 2009; Torma, et al., 2016), or in the form of organizational transformations and changes (Németh, 2016).

With the advent of digitalization in the life of companies, IT consulting services were born. These are consultancy services where consultants help develop their technology strategy and align their business or process strategies with it (Consultancy.uk, 2024). Originally, IT companies (IBM, HP, etc.) provided various consulting services, including IT. Later, traditional consulting companies also recognized the market potential of this area

"HR consulting" focused on maximizing the value created by human resources or employees in the organization already appeared in the life of organizations in the 60s and 70s of the last century.

⁶ Charles Brian Handy CBE (born 25 July 1932) is an Irish author/philosopher specializing in organizational behavior and management. He has been named one of the world's top 50 most influential living management thinkers. In 2001, he was second behind Peter Drucker, and in 2005, he was tenth on this list.

Starting from the 1980s, innovation consulting also appeared on the list (Németh & Pintér, 2022), but interestingly, it does not appear as an independent field, but as operational development or other budget items in the life of organizations.

In addition to the previously presented chronological contextual factors, the extent to which clients use the work of consultants is also explained by various authors for many other reasons. Among other things, economic development and the cultural openness of business life should be mentioned in relation to the indicated issue (Barthélemy, 2019). Other authors, on the other hand, attribute the use of consultants to more complex components (Haslam et al., 2018).



Source: <https://pixabay.com/photos/desk-work-business-office-finance-3139127/>

2.2 CHARACTERISTICS OF USING EXTERNAL CONSULTING SERVICES

Our research survey revealed that slightly more than half of the responding organizations have already used the services of a management consultant. In this regard, there is no significant difference between the respondents of the two countries. 62 percent of the respondents in the Hungarian sample and nearly 65 percent of the respondents in the Romanian sample said so. Table 2.1 summarizes the ratio of positive and negative answers of Hungarian and Romanian respondents.

*Table 2.1 Have you ever used external consultancy services? *(%)*

	Hungary	Romania	Total
Yes	61.8%	64.6%	62.7%
No	38.2%	35.4%	37.3%
Total (100%) n=	152	65	217

Source: Authors' own research

Most of the interviewed companies use management consulting in some area of management. Respondents in these two countries expressed a positive opinion in a similar proportion. The frequency of consultation shows slightly larger differences between the two countries. In Romania, the proportion of those who involved a consultant in the work only once is around 14 percent. In Hungary, this rate is much lower, only 5 percent of the respondents stated that they had used counseling once in total. The largest proportion of organizations represented in the sample are those that have used management consulting a few times, but do not yet consider this to be regular. In the Hungarian sample, 55 percent and in the Romanian sample 60 percent, the proportion of those who have used management consulting a few times so far. A relatively large proportion of the responding organizations in Hungary, 40 percent, stated that they constantly use consulting in some area of management. A little less than a third of Romanian respondents use counseling regularly.

Table 2.2 How frequently are external consulting services used? (%)

	Hungary	Romania	Average
Once	5.4%	14.3%	8.1%
Sometimes	54.8%	59.5%	56.3%
Regularly	39.8%	26.2%	35.6%
Total (100%) n=	93	42	135

Source: Authors' own research

The consulting engagement, especially before the first collaboration between the consultant and the client, is established on the basis of prior trust. Long-term cooperation is beneficial for both the consultants and the client when the trust between the two is already much more established. Most of the organizations participating in the survey have a consultant with whom they cooperate regularly, at least in certain areas. A small proportion of them work with the same consultant in all areas, with whom they have already established a relationship of trust.

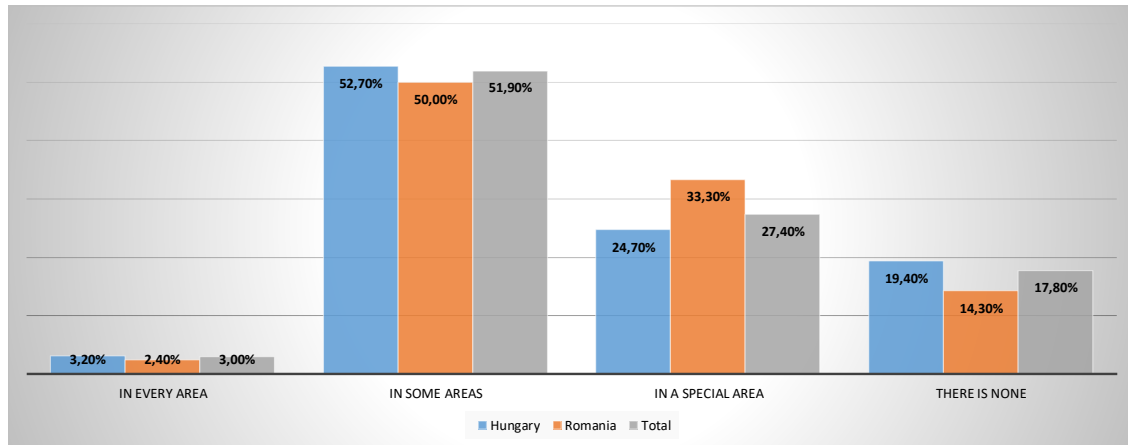
The Hungarian and Romanian samples gave remarkably similar answers to this question, which are included in Table 2.3.

Table 2.3 Is there an external consultant with whom you regularly cooperate? (%)

	Hungary	Romania	Average
in every area	3.2%	2.4%	3.0%
in some areas	52.7%	50.0%	51.9%
in a special area	24.7%	33.3%	27.4%
there is none	19.4%	14.3%	17.8%
Total (100%) n=	93	42	135

Source: Authors' own research

Figure 2.1 Is there an external consultant with whom you regularly cooperate? (%)



Source Authors' own research

2.3 FIELDS OF USING EXTERNAL CONSULTING SERVICES

The organizations participating in the survey indicated the areas of management in which they cooperate with a consultant. In the Hungarian sample, the areas indicated by most organizations are, in order: education, training (52%), management development and coaching (47%), HR (36%), finance and risk management (28%), marketing (26%). In the Romanian sample, the five most frequently indicated areas are education, training (41%), marketing (36%), finance and risk management and HR (28%), strategic consulting, project management, tender consulting and management development and coaching (26%). Business consulting is an area marked in a very small proportion in both samples. IT support, data protection and security, and environmental protection are areas marked in a similar low proportion. Interim managers are

employed by only a very small proportion of the participating organizations, this proportion is 0.7% on average in the two samples.

Table 2.4 In which field(s) did you use external consulting services between 2020 and 2023? (%)

		Hungary (n=94)	Romania (n=42)	Total (n= 136)
1.	Strategic consulting	25.5%	26.2%	25.7%
2.	Quality assurance	7.4%	4.8%	6.6%
3.	Operation (production and service), business process consulting	20.2%	19.0%	19.9%
4.	Marketing and sales	25.5%	35.7%	28.7%
5.	Finance and risk management	27.7%	28.6%	27.9%
6.	Human resources (HR)	36.2%	28.6%	33.8%
7.	Change management/organization development	31.9%	16.7%	27.2%
8.	Project management	19.1%	26.2%	21.3%
9.	Knowledge management	5.3%	7.1%	5.9%
10.	ICT technology	8.5%	4.8%	7.4%
11.	Value analysis (Value Management, Value Engineering)	3.2%	4.8%	3.7%
12.	Education, training	52.1%	40.5%	48.5%
13.	Management development and coaching	46.8%	26.2%	40.4%
14.	Preparation of EU and other tenders, government support	14.9%	26.2%	18.4%
15.	Interim management	1.1%	0.0%	0.7%
16.	Others, namely:			
	Individual personality development, conflict management	1.1%	0.0%	0.7%
	IT support	1.1%	0.0%	0.7%
	Data protection, information security	1.1%	0.0%	0.7%
	Legal, labor law, public procurement	7.4%	2.4%	5.9%
	Accounting	0.0%	2.4%	0.7%
	Environmental protection	0.0%	2.4%	0.7%
	Personnel safety and fire protection	0.0%	2.4%	0.7%
	Conduct of business	1.1%	0.0%	1.1%

Source: Authors' own research

2.4 AMOUNTS OF SPENDING ON EXTERNAL CONSULTING SERVICES

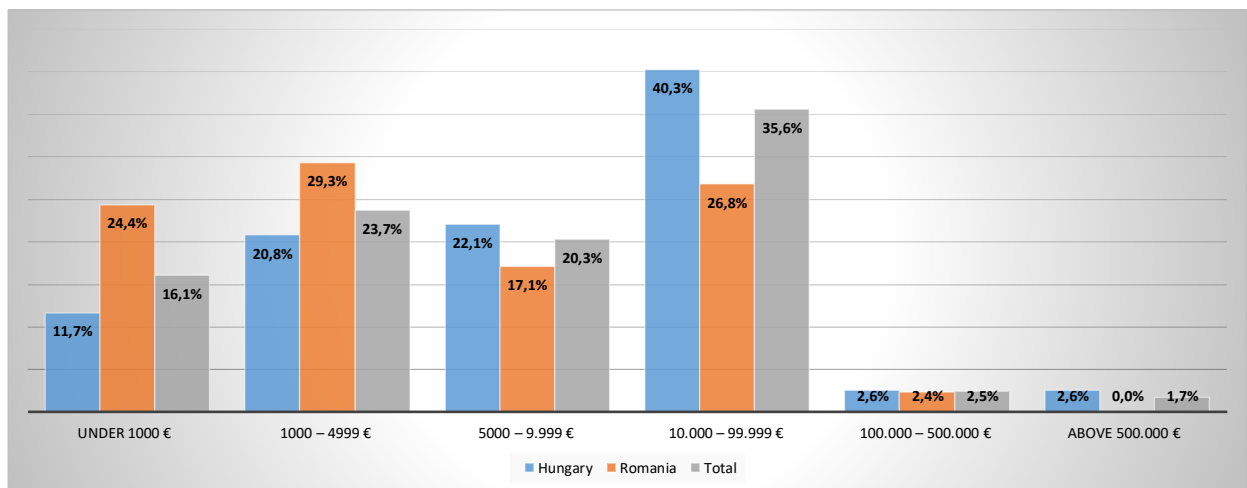
The amount spent by the responding organizations on consulting services varies relatively widely. In this regard, the deviation between the responding organizations is relatively large. Based on the average of the two samples, most respondents spend between 10,000 and 100,000 euros on consulting annually. In the Romanian sample, however, the largest proportion of organizations spend between 1,000 and 5,000 euros on consulting.

Table 2.5 How much did your company/organization spend on external consulting services annually between 2020 and 2023? (%)

	Hungary	Romania	Total
Under 1000 €	11.7%	24.4%	16.1%
1000 – 4999 €	20.8%	29.3%	23.7%
5000 – 9.999 €	22.1%	17.1%	20.3%
10.000 – 99.999 €	40.3%	26.8%	35.6%
100.000 – 500.000 €	2.6%	2.4%	2.5%
Above 500.000 €	2.6%	0.0%	1.7%
Total (100%) n=	77	41	118

Source: Authors' own research

Figure 2.2 Amount of external consulting services annually between 2020 and 2023 (%)



Source: Authors' own research

2.5 LITERATURE SOURCES FOR CHAPTER TWO

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25 de Abril Bridge in Lisbon, Portugal. Photo by Eric Sanders

3 CRITERIA OF SELECTING A CONSULTANT OR A CONSULTING SERVICE (MERZA PÉTER JÁNOS, GERGELY MIKOLA)

'...a prince who is not wise himself will never take good advice...'

Machiavelli⁷

3.1 GENERAL CONSIDERATIONS

During the analysis and interpretation of the consulting process, as well as in the context of the comparison of the different consulting models, the structure of the process was presented in general, and in the case of the different models, the role and task of the consultant, the relationship to be established with the client, and the nature and content of the interaction between the two parties. However, these aspects and factors related to methodology and the activity, when examined from the point of view of the counseling process, appear only as second or multiple variables in the process, given that the reasons for the selection and its motivation need to be interpreted as the first decisive step of the process. In the literature, we can find many references on determining the reasons for using consulting services, of which Kubr's (1996) typology defines the five reasons that are the basis of the selection in the most understandable way. These are as follows:

Providing assistance in order to achieve organizational goals, i.e., the need for help identified based on managerial recognition and decision;
solving management and business problems, i.e., the need for external help to solve the recognized and identified problem;
identifying new opportunities, i.e., exploitation of opportunities related to the exploration of unknown and identified opportunities;
promoting organizational learning, i.e., the need to support change management;
and the concrete implementation of the changes themselves (Poór, et al., 2010).

The above classification was created at the beginning of the 2000s, which has retained its relevance even in today's period of turbulent socio-economic changes, but at the same time, other aspects have come to the fore, which are basically not related to external changes and problems, but to the internal processes and dynamics of the organization, the internal focused on roles, objectively they include consulting activities that focus on enabling rather than solving the

⁷Machiavelli (1469-1527): The Prince. Chapter 23: How to avoid flatterers, p.38.

problem (Singla, 2017). In the framework of consulting work, due to the extreme number of changes, the reasons for the selection were and are being moved in the direction of exploring and developing the organizational and personal competencies of adaptability.

The fifth largest player in the consulting market, McKinsey & Company – which holds a global leadership position in the field of strategic consulting – identified six main reasons that influence the selection of their consultants, which their clients use to justify their use (Bower 1982).

Consultants have competencies that the client does not have, i.e., they buy missing competencies.

Consultants have a method used with success by others that they do not have, i.e., they buy proven potential success.

Consultants can provide enough time to get to know the problem, which the organization (customer) does not have, i.e., they buy resources.

Consultants have a suitable professional background, i.e., they buy knowledge.

Consultants are independent, i.e., they are not influenced by internal organizational-personal relationship systems, i.e., they buy objectivity.

Consultants are able to formulate actions that facilitate the implementation of their proposals, i.e., they buy a solution.

We can rightly ask what the overall objective external reasons for the involvement of consultants could be, as a result of which the global consulting market reached a value of approximately USD 343.5 billion in 2022 and, according to forecasts, more than twice the estimated value of GDP growth will continue to grow in the future – at an estimated annual growth rate of around 7.5% – resulting in the market reaching a market value of USD 500 billion between 2028-2030. The need and reasons for consultants can be explained in a simplified way with the development of the VUCA world (Bennis & Nanus 1985), i.e., the development of the volatile- uncertain-complex-ambiguous world acted as a kind of booster for the needs for consultants (which is also supported by the above global market growth). Among these factors, we consider the following to be the most important:

- 1) The global market has become completely unified since the 1990s, which has generated unprecedented market competition, concentration and related demand for market knowledge on the part of all economic actors. In the global market, everyone is everyone's competitor, and even local and regional markets are not considered protected, given that today all

economic operators can only remain a long-term market operator in case of continuous growth.

- 2) The technological revolutions (Industry 4.0, Industry 5.0, AI) require an amount of new knowledge, expertise and, in connection with this, the ability to adapt, which each organization can provide with less and less success from its internal resources and its own competence in order to maintain the above global market competitiveness. This technological development is based on the long-term market demand for expert and process consulting, and based on current trends, the constantly present lack of knowledge induced by technological innovation will sustain the demand for these types of services in the long term (Radov, 2022).
- 3) The vulnerability of the globalized world, i.e. the vulnerability that appears to a significant extent as a consequence of the above, results in such insecurity at the level of organizations that require constant support for the maintenance of organizations, compliance with changes, development of competence, and, last but not least, the maintenance of organizational unity and motivation- in the field of insurance. Accessibility, the reduction of administrative and legal restrictions (common markets) result in a vulnerability within the organization in the field of the free flow of labor, the effect of which will be indispensable services in the areas of organization, motivation, team building and other areas in the coming decades.
- 4) The above rapid changes may require completely contradictory strategies within a short period of time, the recognition of situations, the selection, implementation and application of appropriate strategies in many cases exceed the knowledge and competences available within organizations (Kulcsár, et al., 2016; Németh & Pintér, 2022).
- 5) Due to global markets, technological development, and the multipolar world model that has emerged instead of the previously identifiable bipolar world model, the problems that previously caused local turbulence (e.g. a volcanic eruption, a local military conflict, a seemingly insignificant technical problem such as the “EverGiven” ship Suez -channel strangulation, etc.) amplified the butterfly effect (Lorenz 1972) to such an extent that factors can appear quickly and chaotically, unexpectedly and with considerable force in the life of an organization, for which it is not possible to prepare solely with internal resources.
- 6) The 21st century, based on the developments of the last 25 years ("terror crisis", "global financial crisis", "Arab spring", "migration crisis", Covid-19 pandemic, Russian-Ukrainian war, etc.) as the century of global crises are apostrophized, as a result of which crises organic, evolutionary market developments were radically repressed in various markets, their role was taken over by the already mentioned change management based on increasing the capacity for adaptation and resilience and strengthening the internal structures of organizations. These situations result in situations that are difficult to handle even for large market players, for

which they usually do not have the resources, knowledge, and competence, or these are only available to a limited extent.

- 7) The assessment of competitiveness and its factors have undergone significant changes in recent decades, in which instead of classic financial, physical, and technological factors, human factors have become primarily decisive. In other words, the most competitive market players are not those who have the largest capital reserves, market share, and technological advantage at the given moment, but those whose human resources and human competences, as stated above, are the most innovative, adaptive, resistant and responsive skills (Barthélemy, 2019; Németh, 2022). The development of human factors at the personal and organizational level traditionally favors external consulting engagements, the market demand for the use of these services is increasing. It is at the heart of one of the famous sayings of the American steel magnate Andrew Carnegie that ‘It is a great step in your progress to find that other people can help you to do your work better’ (Carnegie, 1920). Over the past thirty years, this attitude has gradually replaced protectionist-secretive corporate human policies, which resulted in measurable positive growth effects for various actors.

A fundamental difference between the reasons and motivations for using consulting can be discovered in recessionary and conjunctural periods (Poór, et. al. 2008, Poór, et. al. 2010,).

In an economic period, the main task of consultants is to identify the most effective, fastest and most profitable investment areas of the available financial resources (or they have the necessary resources to use the services).

In a period of recession, the task of consultants is to explore possible areas of optimizing operations and reducing costs in order to be able to create resources to finance future growth phases (in these cases, it is often the task of consultants to explore the sources of their own financing as part of the development of these cost-cutting proposals).

In a different approach, consulting services show a characteristic pattern in accordance with the different life cycles of organizations (Vékás, 1996).

At the time of founding, on the one hand, due to the limited internal resources, on the other hand, the unfamiliarity of the market, as well as the lack of experience, organizations typically use expert consulting in many legal, financial, and technological fields, due to the need for immediate ready knowledge.

In the growth phase, typically the optimization of processes and the expansion of organizational and personnel frameworks primarily result in the involvement of process

consulting services, at which point the organizations are ready for a higher degree of integration of the consultants' knowledge and experience.

In the case of organizations in the mature stage, the need to develop skills to increase the ability to adapt and resist changes becomes dominant, which is one of the main added values of inquiry consulting services.

For organizations in a declining phase, the primary goal is rejuvenation, which builds on the use of all three methods, be it e.g. a technology-driven portfolio update (which primarily requires expert advice), or e.g. about the dynamization of the organization and the motivation of the members, which can typically be among the results of the other two methods.

Above sections, of course, e.g. based on Adizes' corporate life cycle model (Adizes, 1992), or by breaking down the development stages of companies in more detail, it could be further divided and detailed, which, however, would primarily result in a change in the specific definition of consulting areas, not in a change in methods. The main reasons and motivations related to the selection of consultants change according to the different stages of the life cycle, but at the same time they remain within the framework of the goal system presented earlier in each life stage (Poór et al., 2011). Numerous research studies related to the domestic consulting profession have been conducted in the past decades, of which the questionnaire survey conducted several times by the Institute of Economics of the University of Miskolc is considered to be one of the most complex. It conducted a number of inquiries between 2001 and 2016. The main purpose and reason for involving consultants was to 'preserve the stability of the company' (Tokár-Szadai, 2020). In agreement with the above statement, this stability, both in the financial market and in the human field, can be considered as the most important constantly present and defining goal of the organizations as a whole.



Source: <https://www.pexels.com/photo/photo-of-person-putting-photo-on-wall-3585033/>

3.2 REASONS FOR THE USE OF CONSULTANTS, BASED ON OUR SURVEY

FEACO (European Association of Consultants) conducts different research every year, both in terms of selection criteria and motivations, but this research does not primarily focus on the Central European markets and the operations of the significantly smaller organizations located here, so it was justified that the domestic market, and in a comparative manner to the market of a neighboring country (Romania) to explore the factors and motivations. In the framework of our conducted research, our sample basically confirmed the previous theories, but at the same time shaded the picture, the general socio-economic situation in Hungary and Romania, the post-covid boom and the Russo-Ukrainian war generated mostly in a situation inducing uncertainty and recession fears. Tables 3.1a and b presented below contain the answers given by the respondents of the two countries to the questions asking the reasons for the use of counseling, which are evaluated and analyzed separately and in relation to each other.

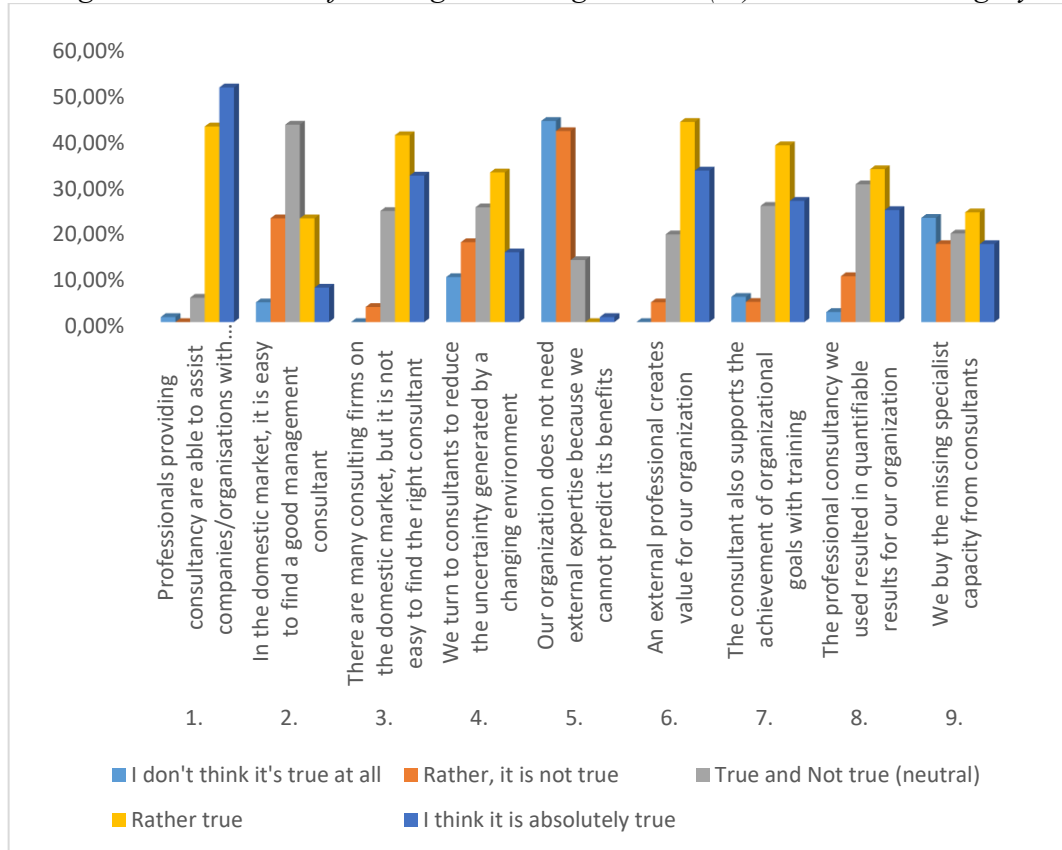
Table 3.1.a Reasons for using consulting services (%) on a scale of 1-5, where 1 = not at all important, 5 = very important (%) – Hungary

	Criteria of selecting a consultant	I don't think it's true at all	Rather, it is not true	True and Not true (neutral)	Rather true	I think it is absolutely true	N=
1.	Professionals providing consultancy are able to assist companies/organisations with their special knowledge	1,1%	0,0%	5,3%	42,6%	51,1%	94
2.	In the domestic market, it is easy to find a good management consultant	4,3%	22,6%	43,0%	22,6%	7,5%	93
3.	There are many consulting firms on the domestic market, but it is not easy to find the right consultant	0,0%	3,3%	24,2%	40,7%	31,9%	91
4.	We turn to consultants to reduce the uncertainty generated by a changing environment	9,8%	17,4%	25,0%	32,6%	15,2%	92
5.	Our organization does not need external expertise because we cannot predict its benefits	43,8%	41,6%	13,5%	0,0%	1,1%	89
6.	An external professional creates value for our organization	0,0%	4,3%	19,1%	43,6%	33,0%	94
7.	The consultant also supports the achievement of organizational goals with training	5,5%	4,4%	25,3%	38,5%	26,4%	91
8.	The professional consultancy we used resulted in quantifiable results for our organization	2,2%	10,0%	30,0%	33,3%	24,4%	90
9.	We buy the missing specialist capacity from consultants	22,7%	17,0%	19,3%	23,9%	17,0%	88

Source: Authors' own research

Note: The rating was based on the following statements on a scale of 1-5 (1 = I don't think it's true at all, 2 – it's not true, 3 – it's true or not (neutral), 4 – it's true, 5 = I think it's absolutely true).

Figure 3.1.a Reasons for using consulting services (%) on a scale - Hungary



Source: Authors' own research

3.1.b. Table: Reasons for using consulting services (%) on a scale of 1-5, where 1 = not at all important, 5 = very important (%) – Romania

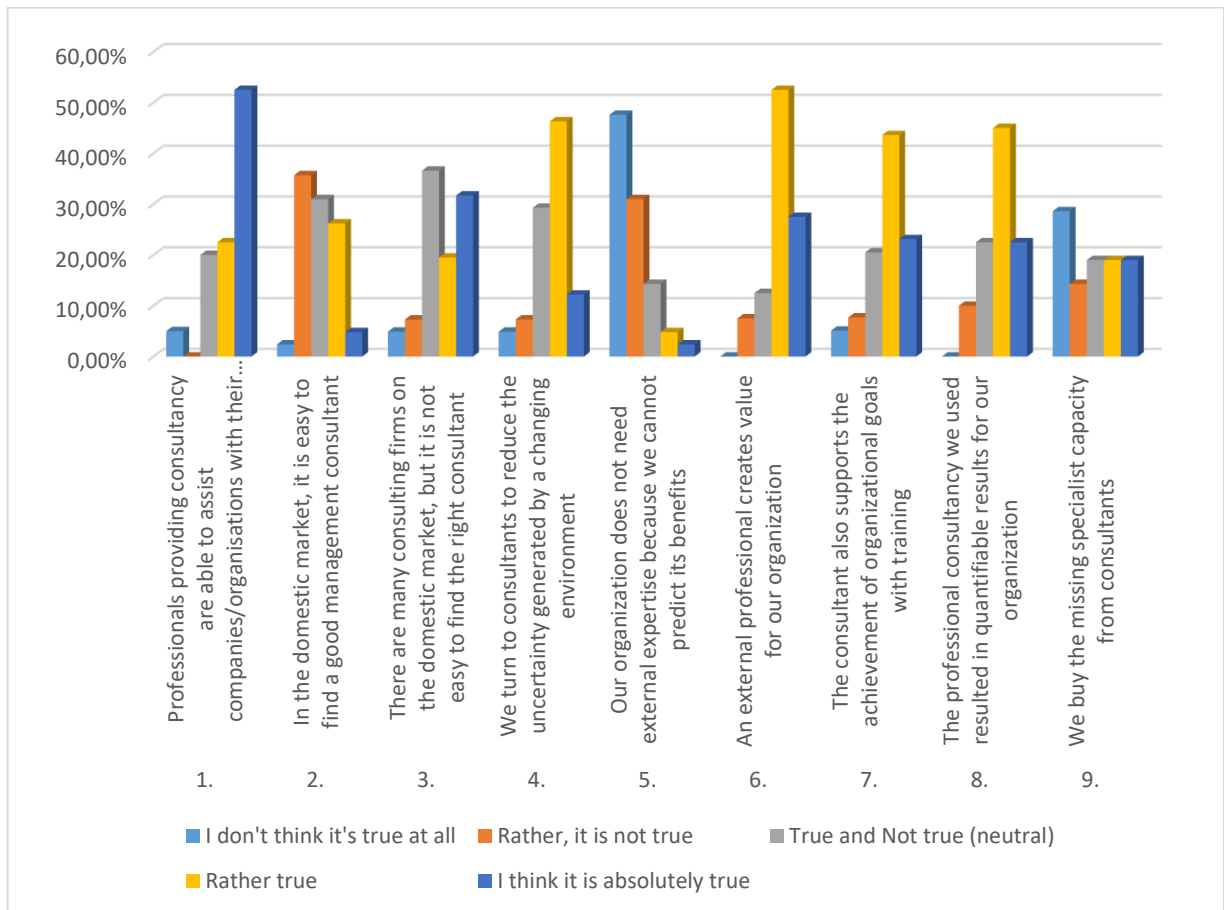
	Reasons of selecting a consultant	I don't think it's true at all	Rather, it is not true	True and Not true (neutral)	Rather true	I think it is absolutely true	N=
1.	Professionals providing consultancy are able to assist companies/organisations with their special knowledge	5,0%	0,0%	20,0%	22,5%	52,5%	40
2.	In the domestic market, it is easy to find a good management consultant	2,4%	35,7%	31,0%	26,2%	4,8%	42
3.	There are many consulting firms on the domestic market, but it is not easy to find the right consultant	4,9%	7,3%	36,6%	19,5%	31,7%	41
4.	We turn to consultants to reduce the uncertainty generated by a changing environment	4,9%	7,3%	29,3%	46,3%	12,2%	41
5.	Our organization does not need external expertise because we cannot predict its benefits	47,6%	31,0%	14,3%	4,8%	2,4%	42

6.	An external professional creates value for our organization	0,0%	7,5%	12,5%	52,5%	27,5%	40
7.	The consultant also supports the achievement of organizational goals with training	5,1%	7,7%	20,5%	43,6%	23,1%	39
8.	The professional consultancy we used resulted in quantifiable results for our organization	0,0%	10,0%	22,5%	45,0%	22,5%	40
9.	We buy the missing specialist capacity from consultants	28,6%	14,3%	19,0%	19,0%	19,0%	42

Source: Authors' own research

Note: The rating was based on the following statements on a scale of 1-5 (1 = I don't think it's true at all, 2 – it's not true, 3 – it's true or not (neutral), 4 – it's true, 5 = I think it's absolutely true).

Figure 3.1.b. Reasons for using consulting services (%) on a scale – Romania



Source: Authors' own research

Conclusions were drawn from the answers to the questions about the reasons for the selection of consultants, which will be presented and analyzed in detail below. Findings regarding the evaluation and acceptance of the consulting work:

- 1) There is and can be general trust measured in the consultants' operating in the two countries, which indicates that in recent decades the profession has become a proven part of the value creation processes, organizations need this type of services. (Over 50% of answers to question 1 considered completely true, and 75-90% of answers considered more true-completely true in the two countries.)
- 2) The research proved that the knowledge and experience conveyed by the consultants (question 1) helps the companies' work (therefore they are needed), which was confirmed by the respondents with extremely low rejection values (1% and 5%).
- 3) The decisive reason for the selection of consultants is their special knowledge, with which they help the work of organizations (answers to question 1).
- 4) An important finding is that, based on the answers to question 6, the added value of consultants related to value creation is not completely true in any country, based on which we recommend that consultants pay more attention to value creation tailored to the person/organization in neutral and 'rather true' in order to reduce responses, for the purpose of full validation.

Findings related to the market presence and accessibility of consultants:

- 1) Overall, it is not easy to find a good management consultant in both Hungary and Romania (based on the answers to question 2). In Hungary, the market situation is slightly better (on a scale of 5, the neutral answer received the highest value), but in Romania, most people chose 'rather not' among the answers. As a conclusion, we can draw the conclusion that the number of consultants considered to be adequately competent among consulting organizations is not sufficient for market needs. It is particularly puzzling that a very small percentage of respondents (7.5% and 4.8%) considered it clearly easy to find a good management consultant, which is a clear market signal that it is difficult to find a good management consultant in both countries.
- 2) The number of consultants in the market is adequate - i.e., there are many companies on the market - but finding the right consultant among them is generally difficult, or rather difficult based on the answers to question 3, according to the respondents. It is a remarkable signal to the consulting profession and organizations that in Hungary, according to more than 70% of the responses, it is rather difficult to find the right consultant and almost a quarter of the respondents gave a neutral answer. Overall, we also received similar answers in Romania, here it is noteworthy that the majority gave neutral answers, which may indicate an undeveloped consulting market situation, indicating that the Romanian management consulting market is at a different stage of development than the domestic one.

Analysis of responses to questions about specific reasons for selecting consultants

- 1) Based on the answers in Hungary (question 4), the reduction of uncertainty caused by the external environment is not the primary reason for the use of consulting services, i.e., external factors are not the main motivation for the involvement of consultants, which is indicated by the proportion of affirmative answers below 50%. This response rate may indicate that Hungarian companies and market players are already at a more mature level when they consider the involvement of consultants as a means of their internal development and do not use these services as a 'follow-up' reaction to market processes.
- 1) 2.) In the case of the Romanian answers, overall, more than half of the respondents consider the reason for involving consultants to reduce the uncertainty arising from the external environment to be true, which may indicate that self-development is probably less part of the organizational culture, i.e. even more as a 'solution' caused by turbulent market processes, consultants are seen as experts, not as a service supporting the development of the organization independent of external factors.
- 2) In both countries, the vast majority of respondents (more than three-quarters) consider that they need external help even if they cannot judge its future benefits (question 5), at the same time, it is noteworthy that there are a measurable proportion of those who give neutral answers (13-14% in the two countries), which may indicate a previous negative experience or uncertainty regarding the added value of consulting.
- 3) Based on the answers to the questions, the possibility of potential training (i.e., organization development, competence development) is not necessarily part of the reason for the involvement of consultants, given that the answers that agreed with this were around 65% in both countries. Based on the research, we recommend that consultants make this consulting service value a more prominent element of their portfolios, given that it does not currently appear as an undoubted - and decisive - factor among the reasons for the involvement of consultants.
- 4) Based on the answers given to question 8 (the involvement of consultants has a quantifiable result for the organization), it can be stated that a quantifiable result is not necessarily an expectation among the reasons for the involvement of consultants (in Hungary 58% of the answers are yes, in Romania approx. 68%). As a counter test, the proportion of those who reject the same statement is low (10-12% in the two countries), which indicates that the quantifiable result is not decisive among the reasons behind the involvement of consultants, but the services nevertheless have a quantifiable result. Based on the results of the research, we recommend the consulting profession invest energy in reducing the number of those giving neutral answers, i.e., offering their clients services with quantifiable results.

5) The answer to question 9 (i.e., the respondents mostly buy missing specialist capacity from consultants) shows the largest deviation, which shows as a kind of summary the reasons for the involvement of consultants, i.e.:

- the demand for expertise/experts is measurably present in the market among the reasons for engaging consultants, but it is not decisive at all;
- 'expert consulting' is still an important area of the profession, but it is not the defining area of the services;
- In Romania, most of the respondents rejected that they are buying the capacity of a missing specialist, and in Hungary this statement came in second place (behind the "rather true" answer), which indicates that the market is developing, and that higher value-added process and inquiry consulting are now the central area of consulting services (in the case of the responding organizations).



Flamenco dancer in Sevilla, Spain. Photo by Eric Sanders.

3.3 SELECTION CRITERIA OF CONSULTANTS BASED ON OUR RESEARCH

One of the two basic questions related to the involvement and selection of consultants is the reason, i.e. why (we need them), which was analyzed in the previous chapter based on the answers to the questions, and the question of who should be involved, which can be translated as what we choose based on criteria, i.e. on what criteria the consultant is selected.

In the framework of our research, a total of ten questions were asked the respondents, each of whom was asked about a potential aspect or factor of the selection and its importance. Of the ten questions, 1-6 and 9-10. questions asked directly about the selection criteria, while questions 7-8 more general aspects of the question, they focus on the aspect of why the consultant is involved. Overall, the respondents of the two countries gave similar answers, but there are measurable differences between the Hungarian and Romanian selection criteria systems. Based on the answers, the research produced the results presented in detail below.

3.3.1 CRITERIA OF SELECTING A CONSULTANT OR A CONSULTING SERVICE IN HUNGARY

Based on the answers of the sample of around 100 people, the most important criterion for consultants is the previous (positive) working relationship with the consultant, more than half of the Hungarian divorcees considered this to be the most important aspect, and for a total of 85% of them this aspect is important. In a simplified way, this response proves a decision motivation based on trust and existing own experience.

The recommendation by an acquaintance – as a factor – is an important aspect based on the answers, but not a decisive factor, given that it was important in the case of just over 50% of the answers, at the same time, this answer is related to the trust factor given to the second question, which based on this, it can be concluded that based on a previous work relationship or a recommendation by an acquaintance, it is definitely necessary to build trust for the consultant in order to be successfully selected.

An important factor is recognition / good reputation (question 3), but at the same time only the respondents consider it a very important factor. A quarter considered it important, which was preceded by four other factors. As a conclusion, we can draw the conclusion that recognition is necessary (this is indicated by the high proportion of ‘rather important’ responses), but at the same time, it is far from sufficient for successful contract signing, which is shown by the overall low proportion of ‘very important’ responses.

The answers to the fourth question (service fee) contradict our preliminary assumption, from the point of view that we assumed the service fee to be a less important aspect overall. The conclusion can be drawn from the answers that Hungarian clients requiring consulting services are basically price sensitive, which means that consultants should pay special attention to this when formulating their offers. A very low proportion of respondents considered this a less important aspect, which indicates that the cost of consulting services is an important aspect for every order (even against the positive returns and results).

Based on the answers to question 5, it can be concluded that customers expect complex services (only 5% of the respondents said that this is a less important aspect), at the same time, it should be emphasized that complexity is not necessarily a decisive factor due to the relatively high rate of responses (over 20%). From the answers, we conclude that specialized high added value is an important aspect in the market, it is good if the consultants offer all this in a complex form, but it is not an exclusive expectation that the same consultant cooperates in several areas.

In the development process of the consulting market (at the end of the 1990s, the first half of the 2000s), there was an important stage when, due to the 'unfamiliarity' of the service, the new players appearing on the market tried to get orders with flexible contractual terms, which in many cases included a success fee, or other elements related to other performance obligations. In the context of question 6, we were curious to what extent this flexible contractual condition is an expectation and how motivating it is in today's consulting market, and our preliminary assumption was confirmed, according to which it is now only partially an important aspect during selection (mostly in special areas, such as e.g. tender advice), and the very high (over 40%) neutral respondent rate shows that these days this is only a secondary consideration.

Questions 7 and 8 - as selection criteria - apply less to the consultant than to the identification of internal motivation, but at the same time, according to the very high agreement rates for both questions, the need for a better understanding of organizational problems and the need for a better understanding of organizational problems and the need to develop a specific proposal. In other words, during the selection process, the percentage of those using the service who wish to both understand and solve the organization's problems by involving external help is exceptionally high. Here we can also refer back to the quote by Machiavelli at the beginning of the chapter and interpret it in such a way that nowadays market players are becoming wiser and require external advice and solutions. This is certainly positive feedback for the development of management and organizational culture.

According to preliminary expectations, the size of the consulting company is not a decisive factor during the selection, which is shown by the large standard deviation of the answers to question 9. An interesting result is that the highest response rate to this question was given by the

rather unimportant answer (36%), which indicates that in addition to large consulting companies, the services of smaller, specialized, customized services, even micro-consulting businesses may be in demand. on the market.

In the context of question 10, we were interested in the extent to which the presence on the world wide web and the credibility perceived there influence the selection process, to which we received low response values in accordance with the principle of personality and trust, which can be considered the basic values of the consulting profession. This profession and market (in line with the answers to the first three questions) continue to develop based on personal experience and relationships, which we believe is a very important value for consulting services to preserve. We would also like to emphasize that personal experience and recommendations linked to personal relationships are a value carrier in this area, which consultants cannot currently replace with any other virtual tool or method.

In the framework of the research, it was possible to formulate other answers, which are summarized in Table 3.2. a. Based on the responses received, we make the following comments:

In several cases (primarily in the case of multinational or large organizations with multiple locations) it is necessary for the local unit to cooperate with the consultant selected/required at the concern level. Overall, this can be classified as bad practice, given that the knowledge of the local problem and the personal relationship with the local leaders are an essential element of the trust that is the basis of the consultant-client relationship. We recommend that, even in the case of multinational organizations, consultants are selected based on real local needs.

Table 3.2. a Criteria of selecting a consultant on a scale of 1-5, where 1 = not at all important, 5 = very important (%) – Hungary

	Criteria for selecting of a consulting services	Not important at all	Rather, not important	Important and Not (neutral)	Rather important	Very important	N= (100%)
1.	Recommendation by an acquaintance	4,3%	13,0%	20,7%	34,8%	27,2%	92
2.	Previous working relationship with the consultant	2,2%	3,2%	8,6%	34,4%	51,6%	93
3.	Reputation	0,0%	2,2%	15,2%	54,3%	28,3%	92
4.	Consulting service fee	3,2%	4,3%	30,9%	41,5%	20,2%	94
5.	Complexity of the services offered by the consultant	1,1%	4,3%	21,7%	42,4%	30,4%	92
6.	Possibility of flexible contracting	1,1%	7,7%	41,8%	24,2%	25,3%	91

7.	Better understanding of our organization's problems	1,1%	5,4%	10,8%	29,0%	53,8%	93
8.	Specific solution offered by the consultant	1,1%	3,3%	12,0%	35,9%	47,8%	92
9.	Consulting firm size	16,0%	36,2%	28,7%	16,0%	3,2%	94
10.	The presence of the consultant on social networks showing competence and credibility	22,3%	28,7%	24,5%	18,1%	6,4%	94

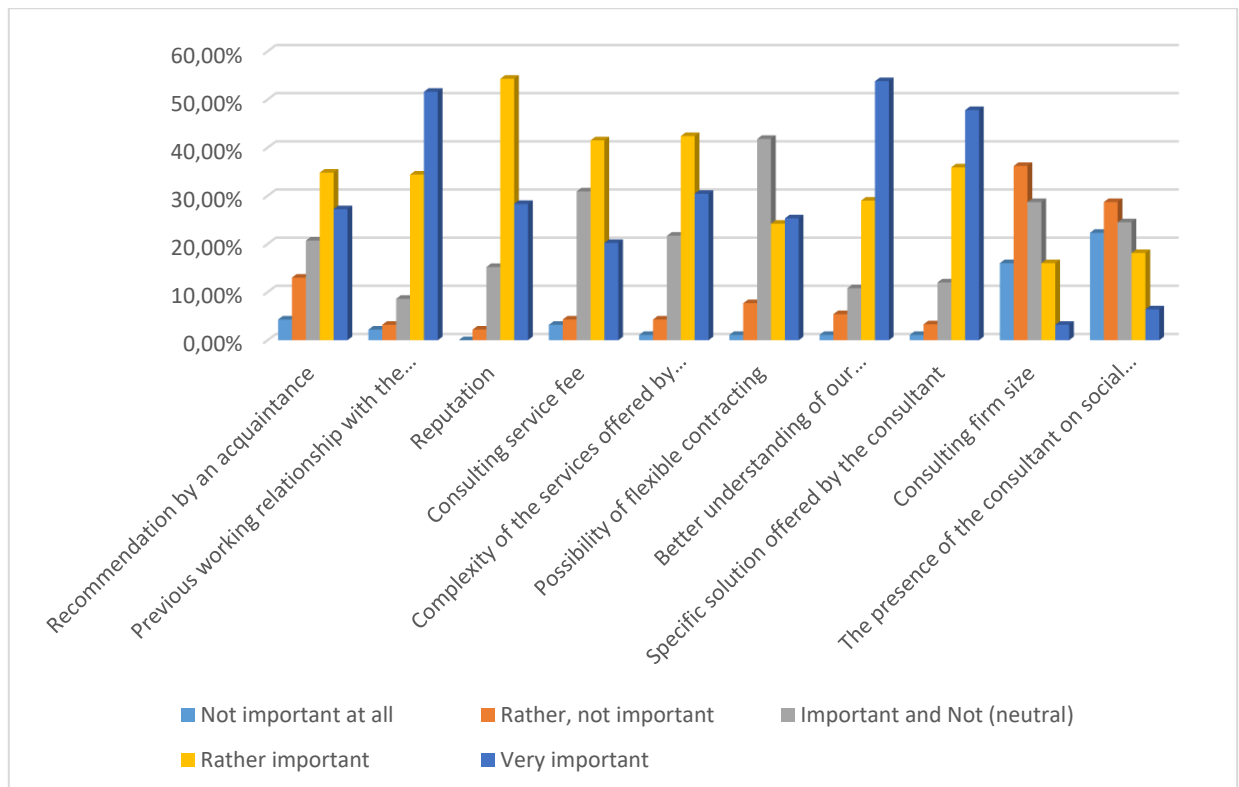
Source: Authors' own research

Note: criteria were rated on a scale of 1-5 (1= not important at all, 2 – rather not important, 3- important and not (neutral), 4 – rather important, 5= very important)

Other responses

We use a consultant already known or 'prescribed' by the company group in certain areas
Personal relationship in the professional field
Credibility
A positive cooperative relationship
Professional background

Figure 3.2 a. Criteria for selecting a consultant (%) - Hungary



Source: Authors' own research

3.3.2 CRITERIA OF SELECTING A CONSULTANT OR A CONSULTING SERVICE IN ROMANIA

Table 3.2.b shows the results of the answers given by about 40 Romanian respondents, which are generally in line with domestic experiences and answering preferences. In the following, minor differences and virtually identical market situations are also highlighted, which helps to understand the peculiarities of the consulting market of the two countries.

- 1) Relatively few respondents thought that a recommendation from an acquaintance was a neutral factor (10% compared to 20% in Hungary), which - given that the proportion of overall unimportant answers was roughly similar in the two countries - suggests that the recommendation by an acquaintance is a more important factor in Romania than in Hungary.
- 2) In Hungary, the previous experience with the consultant is measurably more important/important factor (75% response rate), while in Romania it only made up 61% of the responses. We think that, in combination with the previous answer, this means that trust in the consultant is important in both markets, however, in Romania, a recommendation from an acquaintance may be sufficient, while in Hungary, personal positive experience is necessary.
- 3) The responses to the outstanding importance of recognition/good reputation indicate that in both countries these are unavoidable elements for the successful selection of consultants.
- 4) The answers to the question about the price of the service indicate that, although this factor is important in the selection process in both countries, it is not the only one when making the decision. From the answers we can conclude that, unlike the purchase of other market services, buyers take into account relatively many other factors when engaging in consulting services, i.e., personal and professional aspects may be emphasized more than average.
- 5) During the analysis of the Hungarian answers we also highlighted that complexity is an important and expected factor in Hungary, which factor is slightly more important in Romania than in the domestic market, which is indicated by the smaller proportion of neutral answers and, in parallel, the higher degree of identification as an important factor in the answers.
- 6) Flexible contracting is an equally important aspect in Romania as a whole, but at the same time, the higher proportion of those who identify it as a less important aspect, the lower proportion of neutral answers, and the higher proportion of those who identify it as an important aspect may indicate that the market is in a different stage of development, i.e. the flexibility of market acquisition is also more present, as well as the factor of trust building, in summary we can meet many different attitudes on the market.

- 7) A similar pattern of responses focusing on a better understanding of organizational problems indicates that the organizations that use consulting services in the two countries face very similar challenges and that their selection motivations are the same.
- 8) The question regarding the importance of the specific solution proposal gives a very interesting pattern in terms of Romanian answers: it is practically unacceptable on the Romanian market if the service offered by the consultant does not provide a concrete solution to the problem in some form (a response rate of 0% is not important at all and rather to unimportant options). From this response result, we can conclude that the involvement of consultants in the Romanian market is (still) much more connected to specific organizational-market situations (identified problems) and has not fully become an integral support service related to the internal development and development needs of organizations.
- 9) During the analysis of the Hungarian answers, we also indicated that the size of the consulting company is not a relevant selection criterion, and the Romanian answers show a very large deviation in the content of the given answers.
- 10) The consultant's presence and image on social media platforms, although similar to the Hungarian responses, is not really a decisive factor in Romania either, considering that, overall, according to almost half of the respondents, this is not an important selection criterion, and a quarter of them indicated the neutral answer, which is actually an indifferent factor identifies the presence on the World Wide Web (in line with the importance of personal, trusting relationships).

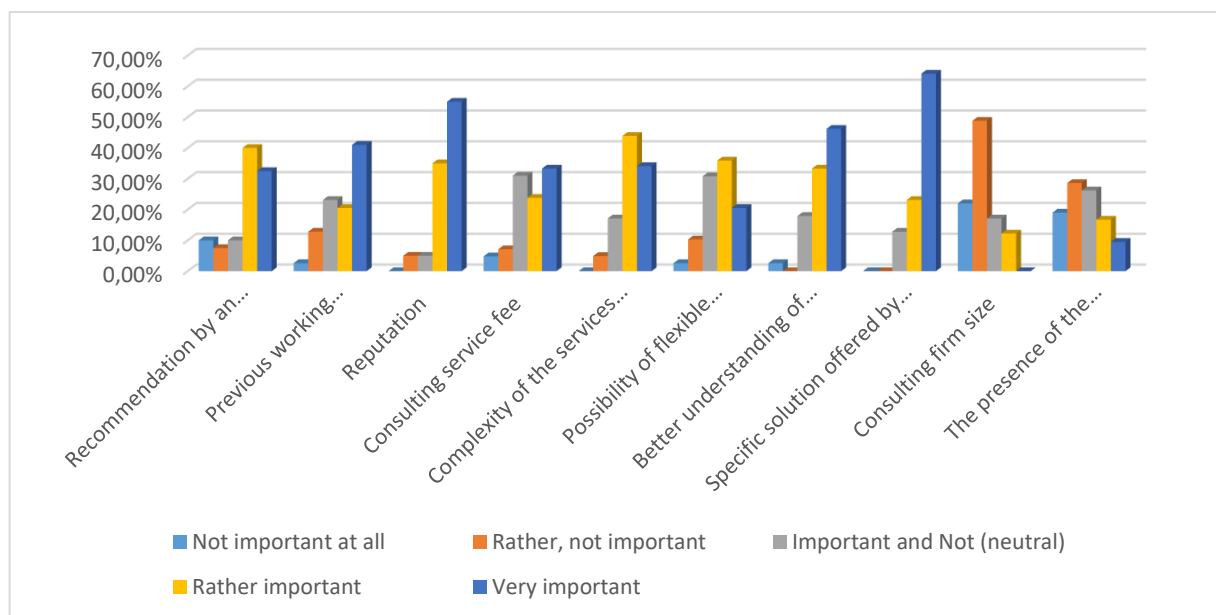
Table 3.2.b. Criteria of selecting a consultant on a scale of 1-5, where 1 = not at all important, 5 = very important (%) – Romania

	Criteria of selecting a consultant	Not important at all	Rather, not important	Important and Not (neutral)	Rather important	Very important	N= (100%)
1.	Recommendation by an acquaintance	10,0%	7,5%	10,0%	40,0%	32,5%	92
2.	Previous working relationship with the consultant	2,6%	12,8%	23,1%	20,5%	41,0%	93
3.	Reputation	0,0%	5,0%	5,0%	35,0%	55,0%	92
4.	Consulting service fee	4,8%	7,1%	31,0%	23,8%	33,3%	94
5.	Complexity of the services offered by the consultant	0,0%	4,9%	17,1%	43,9%	34,1%	92
6.	Possibility of flexible contracting	2,6%	10,3%	30,8%	35,9%	20,5%	91

7.	Better understanding of our organization's problems	2,6%	0,0%	17,9%	33,3%	46,2%	93
8.	Specific solution offered by the consultant	0,0%	0,0%	12,8%	23,1%	64,1%	92
9.	Consulting firm size	22,0%	48,8%	17,1%	12,2%	0,0%	94
10.	The presence of the consultant on social networks showing competence and credibility	19,0%	28,6%	26,2%	16,7%	9,5%	94

Source: Authors' own research

Figure 3.2.b: Criteria for selecting consulting services (%) – Romania



Source: Authors' own research

3.4 LITERATURE SOURCES FOR CHAPTER THREE

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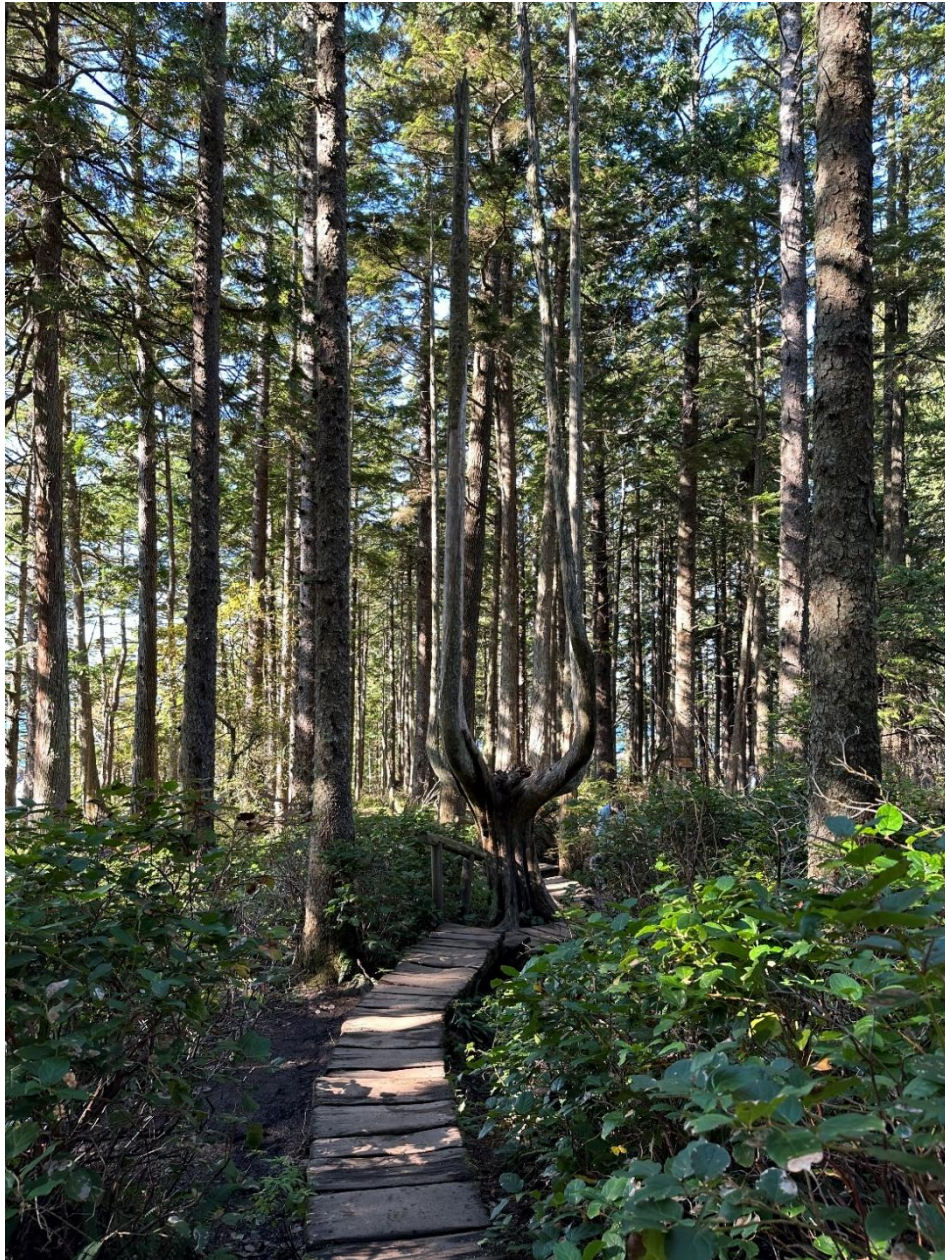
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Path in Cape Flattery, Washington State, USA, photo by Eric Sanders.

4 OVERALL EXPERIENCE WITH EXTERNAL CONSULTANTS (GERGELY NÉMETH, KLAUDIA BALÁZS)

*'If you want to understand something,
then try to change'.
(Kurt Lewin)⁸*

We do not dispute the results obtained in the research that form the basis of the book, we describe them. This chapter assesses subjective beliefs about experiencing the counseling process.

We draw your attention to a few points regarding how consulting services should be evaluated. Along these lines, we can get more nuanced opinions. Here, too, the saying is true that the evaluator's seat point determines his point of view.

It is therefore important to take into account who the evaluator is, which was not covered by this research. The customer, the project manager, the project participants, the internal experts outside the project, or even those who experience the changes on a daily basis typically have a different opinion, but even those who are members of the organization but were not affected by the more characteristic part of the changes may have their own opinions. In addition, during our working life, we have been able to live in more than one of the above roles, so our feelings may even contradict themselves in the case of a given generally formulated question.



Douro Valley, Portugal, photo by Eric Sanders.

⁸ Kurt Lewin (1890-1947) was a German-American psychologist known as one of the modern pioneers of social, organizational, and applied psychology in the United States. During his professional career, he dealt with three general topics: applied research, action research and group communication.

4.1 EXPERIENCES ON ORGANISATION LEVEL

Let us move away from concrete interventions a little. Let us review the impact of a management consulting intervention at the organizational level, and then we will come to the individual evaluation.

4.1.1 MACRO LEVEL (ORGANISATION LEVEL)

Bloom et al. (2010) state that the quality of management practices (tools, competencies, etc.) appearing in the organization significantly influence the company's performance. As previously, Németh (2022) summarized Bloom et al.'s WMS research, in which financial indicators showed an average of 17% better performance in companies where management development was implemented. A total of 38 organizational areas that can be implemented by management and intervention techniques were identified. These can be classified into the following major areas of expertise:

- 1) Production-operative development
- 2) Quality control development
- 3) Inventory development
- 4) Development of human resource management
- 5) Sales and order management development

The research of Nohria et al. (2003) was also cited a lot, their finding that professional, methodical, conscious interventions can cause an average 14% performance increase in organizations. They also use the addition that no matter what management tool we work with (more than 200 management tools and practices have been identified), we only follow the above criteria (consistent, professional methodical) during the interventions. This research has named eight areas, 6 of which must be concentrated on at the same time focusing on all four of the primary areas and at least two of the secondary areas.

Table 4.1 Management research tools

Primary	Secondary
<ul style="list-style-type: none">• strategy,• culture,• structure,• implementation	<ul style="list-style-type: none">• talent,• management,• innovation,• mergers and partners

Source: Authors' own research

As we wrote earlier in this book and in our previous books dealing with consulting (Poór, et al., 2016, Poór, et al., 2022), management consultants sometimes provide new competence, sometimes capacity. Still, if we know this and have specific data on it, how come not all companies use consulting and management development? Here we return to one of the main messages of our chapter. The management at all times determines how much the organization can develop. The consequence of the organization's adaptation and development is that development can also be demonstrated in financial results. They, the leaders, are the number one differentiating factors of the organization's performance (Hjort, Malmberg, & Schoellman, 2022; Bertrand and Schoar, 2003, Bennedsen, et al., 2007).

4.1.2 CRITICAL POINTS OF MANAGERIAL COMPETENCES

The first is that management is open, wants to learn and is ambitious to become better. So, you bring in the management consultant to start your project. Management consultants introduce competencies (procedures, practices) into an organization on behalf of management. This openness is not a constant characteristic of leaders. In many cases, the initial enthusiasm wanes or even turns into the opposite. It is not necessarily because the consultant is not properly prepared or does not provide the best solution. Rather, another conflict unfolds in the background, which in most cases is not even conscious. The interpretation of the leadership role conflicts with the existing and the desired one, or deficiencies in the competence of the current leader(s) are revealed. Perhaps the project's progress begins to decline due to feelings of change in leadership power, jealousy, envy and other human frailties. The listed behavioral patterns go back thousands of years and guide the behavior of decision makers. A significant part of organizational resistance can be traced back to these leadership behaviors. A good question is, whose responsibility is it to maintain the commitment to change in organizational leaders? For the leader himself, whether facing the mirror, in which it is not certain that the 'desired super leader is looking back', or for the consultant, who must give feedback in such a way that the data content is fair, ethical and creates added value, and even motivates the leaders for further confrontation and change.

The second critical point is when changes are extended in the organization, i.e., increasing the quality level in the name of increasing performance. And there, the employees are the ones who can block the changes. It is conceivable that if we ask them, we can also get exciting and interesting feedback on the evaluation of the consulting project.

It can often be observed that the client wants to show success, so the project will be recorded as a success, no matter what the underlying driving force is. At the same time, either the client, other members of the client organization, or even the consultant can perceive that this is

only a kind of image element, that the project is successful, but real changes and progress have not been realized (Németh, forthcoming). One of the reasons for this is the distortion of hindsight (regardless of the outcome predicted/selected in advance, regardless of the actual outcome (successful or not), we knew post ante with great certainty that it would have been the correct solution (hindsight bias) (Fischhoff, 1975).

From the point of view, the results are certainly surprising - as will be read later - because we expected that the consultants' activities are not liked by the people working in the organization and, as a result, they adapt their professional skills and everything else to this feeling. We base this hypothesis on the fact that consultants typically bring changes to the operation of an organization (e.g., Németh, 2016). These organizational changes are neither expected nor desired by the typical organizational employee. Therefore, we expect a negative evaluation of the consultants' work.

Another typical reason for prejudice is that they do not understand the work of consultants, they only see that they work in a different way (in a different time schedule, with different authority and other resources), and in most cases the experience is that they give extra work to colleagues. It is also generally stated that they are expensive (it does not matter whether this is a fact or an assumption) and because of this, a prejudice against consultants and consulting work is usually formed.

4.2 EXPERIENCES AND OPINIONS

It can be concluded that the general experiences of the examined sample with external consultants in Hungary and Romania are mostly positive, although some differences can be seen between the data of the two countries. In Hungary, 52.2% of the respondents reported more positive experiences, but at the same time, a significant part of the respondents, 46.7%, had mixed experiences. This may mean that although consulting work is mostly satisfactory, there are times when expectations are not fully met. Only 1.1% of respondents reported negative experiences, which indicates that dissatisfaction with consulting services is relatively rare.

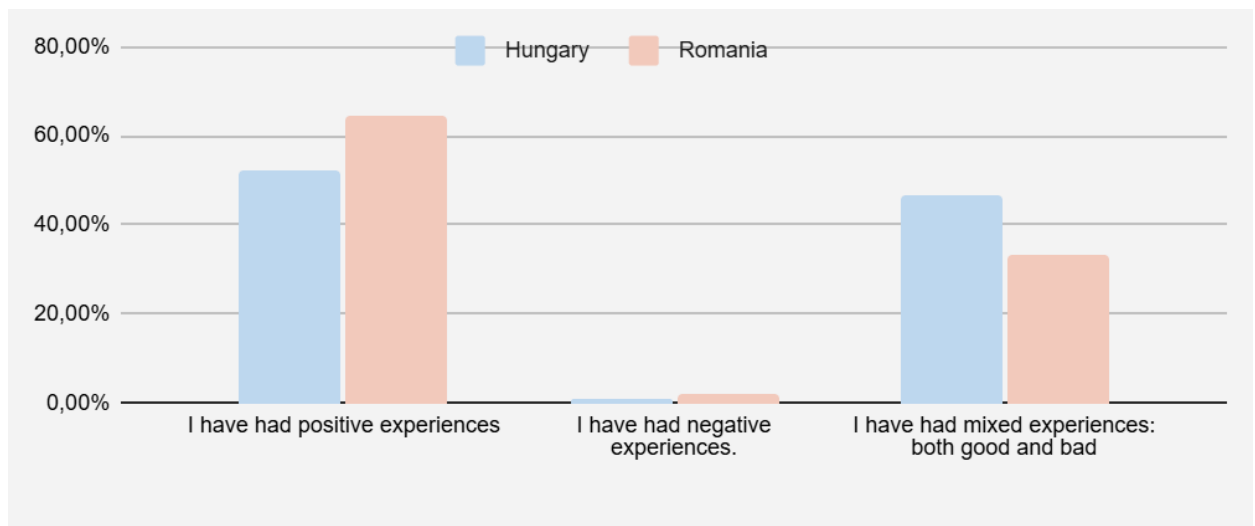
Table 4.2 Overall experiences with consultants (%)

	Hungary	Romania
I have had positive experiences	52.2%	64.3%
I have had negative experiences.	1.1%	2.4%
I have had mixed experiences: both good and bad	46.7%	33.3%
Total (100%) n=	92	42

Source: Authors' own research

Compared to Hungary, a higher proportion of respondents in Romania, 64.3%, reported more positive experiences. The proportion of mixed experiences in Romania is lower than in Hungary, only 33.3%, but the proportion of negative experiences is higher compared to Hungary, but also low here, at 2.4%.

Figure 4.1 Overall experiences with consultants (%)



Source: Authors' own research

The experiences with external consultants described in text ranged widely. The opinions of the respondents were grouped based on different aspects and sorted into a few more characteristic categories. These categories reflect general trends in consulting services, including professional competence, the adaptability of consultants, potential dissatisfaction, and the methodological approach and interaction of consultants with clients. These categories are presented in detail below in order to get a comprehensive picture of the evaluation of consulting services.

The responses of Hungarian respondents were divided into four main groups:

Positive professional experiences, effectiveness: This category includes opinions according to which the external consultants represent a high level of expertise, which contributes to the successful operation of the company. Consultants often meet expectations, fulfill contractual commitments, and effectively help the company achieve its goals. The work of consultants usually has a positive effect on the effectiveness of projects and the development of the company.

Mixed experiences in terms of effectiveness and adaptability: This category includes opinions according to which experiences with the work of consultants are mixed. Although in many cases the competence of the consultants is recognized, problems often arise regarding the adaptability of the consultants, their understanding of the specific needs of the organization, and the effectiveness of the services. Clients have mixed feelings, as the performance of consultants and the quality of working with them varies.

Negative experiences, dissatisfaction: This group contains reviews that describe negative experiences with this Chapter. These include cases where advisors did not meet expectations, were unprepared, or did not communicate properly with clients. In several cases, it also arose that the consultants prioritized their own interests rather than the needs of the commissioning company. These experiences were disappointing and highlighted the shortcomings of advisory services.

Consultants' Methodology and Interactions: This category focuses on experiences related to consultants' methodological approach and interactions with clients. Clients consider it important that consultants provide personalized solutions, listen to and take into account the opinions of clients, as well as offer effective, interactive trainings and consulting processes. Satisfaction depends to a large extent on the consultants' ability to adapt to the specifics of the industry and the unique needs of the organization.

The reasons given by Romanian respondents can be briefly and simply divided into two main categories:

Positive experiences, measurable results: Customer satisfaction stems from the fact that the consultants effectively helped the organizations' work, especially in the field of HR and organization development. The consultants were able to communicate clearly and simply, even in the case of complex problems, which contributed to the successful solution of the problems. Clients appreciated the inclusion of an external point of view, which opened up new perspectives for them, as well as the consultants' help in finding the right professionals and training opportunities.

Negative experiences, disappointment: Some clients had negative experiences with consultants because the consultants did not sufficiently understand the specific needs of the company and were not prepared for special services. Due to the mistakes of the consultants,

the expected results were not achieved, for example the success of the tender, so in some cases the consultancy contracts were terminated even before the completion of the projects.

Table 4.3.a. Overall statements on consulting services on a scale of 1-5, where 1 = strongly disagree and 5 = strongly agree (%) – Hungary

	1	2	3	4	5	N=
In some cases, external knowledge is required.	1.1%	0.0%	7.4%	29.8%	61.7%	94
External consultants are regularly required to maintain competitiveness.	3.2%	11.7%	26.6%	44.7%	13.8%	94
The service provided by the consultant far exceeds the price of such service.	1.1%	8.7%	43.5%	35.9%	10.9%	92
The solutions of the consultants, based on their extensive experience gained and synthesized in several organizations, can be useful.	0.0%	1.1%	18.1%	51.1%	29.8%	94
External consultants bring new, fresh knowledge and approaches to the organization.	0.0%	1.1%	7.4%	46.8%	44.7%	94

Source: Authors' own research

Comments: The statements were scored as follows (1= it was not important at all, 2 – rather it was not important, 3 – it was important and not at all (neutral), 4 – it was rather important, 5= it was very important)

According to the opinion of the respondents, the role of external consultants in Hungary is mostly viewed positively, especially when it comes to involving knowledge from outside and fresh approaches. A significant part of the respondents, 61.7%, consider it very important that in some cases it is necessary to involve external expertise, and another 29.8% consider this factor more important. Only 1.1% consider it not important at all, which indicates that the value of external knowledge is widely recognized.

According to 44.7% of the respondents, various external consultants are regularly needed to maintain competitiveness, and 13.8% consider it extremely important. However, a significant part of them, 26.6%, represent a neutral point of view, and 14.9% think that the continuous involvement of external consultants is less important or not at all important.

Opinions are divided regarding the value for money of consulting services. Although 35.9% of the respondents consider it more important and 10.9% consider it very important that consulting services exceed prices, the majority, 43.5%, remained neutral on this issue.

On the other hand, the consultants' solutions based on their extensive experience were widely accepted and considered valuable. More than half of the respondents, 51.1%, consider it

more important, while 29.8% consider it very important that the solutions provided by the consultants can be useful for everyone. Only a few people, 1.1% of the respondents, consider this aspect less important, which shows that the vast experience provided by the consultants is highly valued by the majority of the respondents.

The inclusion of new knowledge and fresh approaches brought by external consultants into organizations also proves to be extremely important. 44.7% of respondents consider this factor very important and 46.8% rather important, while only 1.1% consider it less important. This suggests that respondents widely value innovations and new perspectives provided by external consultants that can contribute to company development.

Table 4.3.b. Overall statements on consulting services on a scale of 1-5, where 1 = strongly disagree and 5 = strongly agree (%) – Romania

	1	2	3	4	5	N=
In some cases, external knowledge is required.	7.5%	2.5%	12.5%	25.0%	52.5%	40
External consultants are regularly required to maintain competitiveness.	2.4%	12.2%	39.0%	26.8%	19.5%	41
The service provided by the consultant far exceeds the price of such service.	7.3%	12.2%	48.8%	22.0%	9.8%	41
The solutions of the consultants, based on their extensive experience gained and synthesized in several organizations, can be useful.	2.4%	2.4%	14.6%	34.1%	46.3%	41
External consultants bring new, fresh knowledge and approaches to the organization.	0.0%	12.2%	4.9%	31.7%	51.2%	41

Source: Authors' own research

Comments: The statements were scored as follows (1= it was not important at all, 2 – rather it was not important, 3 – it was important and not at all (neutral), 4 – it was rather important, 5= it was very important)

Opinions about external consultants in Romania are mixed although they are perceived more positively in many respects. The majority of respondents consider the involvement of external knowledge to be important - 52.5% consider this factor very important, and 25% rather important. Only 10% believe that it is less important or not important at all.

However, the regular involvement of external consultants, which is necessary to maintain competitiveness, is judged to be a bit more divided. Although 19.5% consider this aspect to be very important and 26.8% rather important, a significant number of respondents (39%) remained

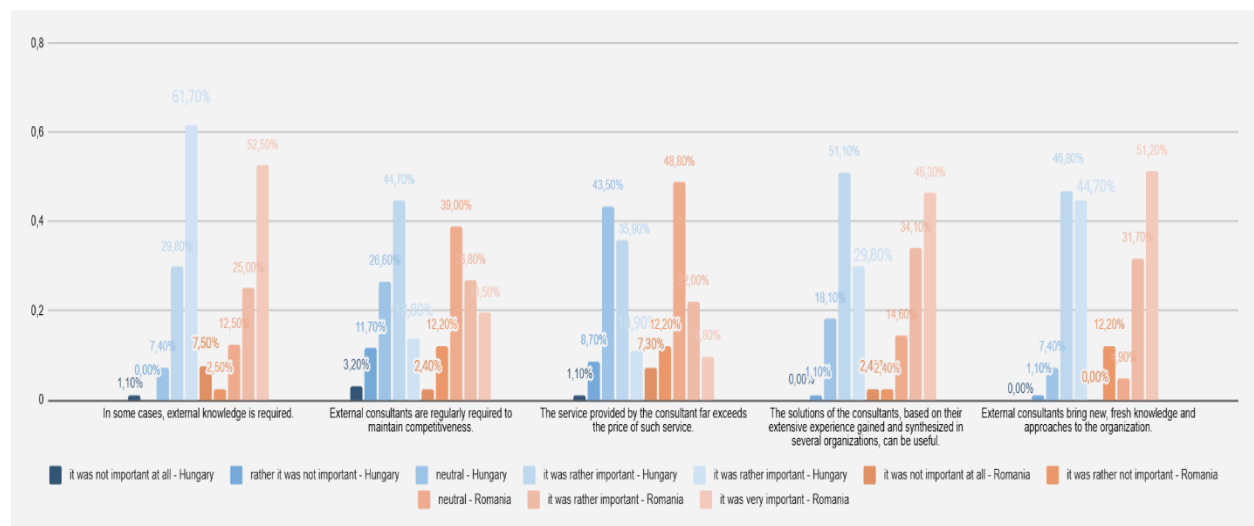
neutral on the issue. Furthermore, according to 14.6%, it is rather unimportant or not important at all.

Regarding the price-value ratio of consulting services, there is more uncertainty among the respondents. Although 22% consider it rather important and 9.8% consider it very important that the value of consulting services exceeds their price, the majority (48.8%) remained neutral, while 19.5% said it was not important or not important at all.

The solutions based on the consultants' extensive experience are considered valuable by the majority of respondents. According to 46.3% of respondents, these solutions are very important, and 34.1% consider this factor more important. Only 4.8% consider it less important or not important at all.

The majority of respondents also highly appreciate the importance of new knowledge and fresh approaches brought by external consultants. 51.2% of respondents consider this factor very important and 31.7% rather important, while only 12.2% consider it less important.

Figure 4.2. Overall statements on consulting services (%)



Source: Authors' own research

The diagram visually displays the previously analyzed opinions by country highlighting the differences and similarities between Hungary and Romania in the assessment of external consultants. The analysis showed that in both countries an important role is attributed to the knowledge and experience brought by external consultants. However, significant differences can be observed in certain areas. With the help of the diagram, the outliers are clearly visible, which highlight that in Romania, for example, the evaluation of new approaches and innovations is more prominent, while in Hungary, the inclusion of extensive experience and external knowledge receives more attention.

Visual representation reinforces country specificities and helps create a more comprehensive picture of different attitudes towards advisory services. One of the most striking outliers can be seen in relation to the importance of involving knowledge from the outside. In Hungary, 61.7% of the respondents consider this very important, while in Romania, fewer, 52.5%, think the same. On the other hand, in Romania the proportion of those who do not consider this factor important at all is higher (7.5%), in Hungary this proportion is only 1.1%. Regarding the price-value ratio of consulting services, the proportion of those who do not consider it important at all that the value of consulting services exceeds the price is much higher in Romania (7.3% in Romania compared to 1.1% in Hungary). Regarding the usefulness of solutions based on the consultants' extensive experience, the proportion of those who consider it more important in Hungary is extremely high (51.1%), while in Romania it is a bit lower (34.1%).

The results of the research are much more positive than expected. We expected many more negative opinions based on prejudice than on the Likert scale and textual data. In any case, it is necessary to continue investigating and, based on the comments made in the introduction, clarify the data collection procedure in order to obtain better data.

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Douro Valley Portugal, photo by Eric Sanders.

5 USE OF EXTERNAL CONSULTANTS IN THE NEXT 12-24 MONTHS

(JÓZSEF POÓR, ZSUZSANNA SZEINER, STEFFEN ROBUS, DÁVID SZABÓ)

'I came from an environment where if you see a snake, you kill it.

*At General Motors, if someone sees a snake,
the first thing they do is call or notify a snake consultant.'*

Ross Perot⁹

Differing opinions agree that 'recently, the COVID-19 pandemic, rising global conflicts and geopolitical tensions threatening supply chains, as well as spiraling inflation have quickly upended the business environment – proving that businesses that are slow to respond to disruptions face disastrous consequences face' (GFK, 2024). However, we cannot forget that new technologies (e.g., digitization, AI, etc.) offer significant opportunities to influence the future (Szyjewski, 2020).

As mentioned earlier, according to Blackman (2024), we live in volatile, uncertain, complex and ambiguous (VUCA) times. According to other authors, we are already past the VUCA era indicated earlier, we are now living in even more dangerous times, i.e., a BANI period is more typical of our days, when everything is Brittle, Anxious, Nonlinear, and Incomprehensible (Toga, 2023; Németh, 2022).

From our historical studies, we know that epidemics, wars and other problems that threaten humanity have existed at other times. However, due to the complexity and intertwining of today's problems, only by changing human behavior can humanity make the necessary changes to reverse global warming, mitigate the risks of war and epidemics, and save itself (Blackman, 2024).

In this chapter, we will first review what opinions have been or are being formulated regarding the future employment of consultants based on literature and the opinions of those working in practice. After that, we analyze our experience gained during our empirical research.

5.1 GENERAL OPINIONS ABOUT USING CONSULTANTS IN THE FUTURE

Many opinions can be found in the literature regarding the future use of consultants. Among the indicated opinions, without claiming to be complete, we highlight the following.

⁹ Henry Ross Perot is an American businessman from Texas. Perot founded his company, Electronic Data Systems, in 1962, which was bought by General Motors in 1984. He founded his other major company, Perot Systems, in 1988, which was bought by Dell for \$3.9 billion in 2009.g



Source: Isa Bulle- <https://www.pexels.com/photo/worm-s-eye-view-of-glass-ceiling-367903/>

5.1.1 REINVENTING OUR ORGANISATION

5.1.2 IMPACTS OF AI

According to the global senior management research (survey) regularly prepared and published by the global audit and consulting company PWC (2024), the reinvention of the essence of organizations has recently accelerated and come to the fore. According to indicated survey, 45 percent of the responding company managers feel that the time has come to reshape their organization. This phenomenon affects not only client organizations, but also consultants cannot withdraw from the effects of the indicated process (Ortung, 2024; Németh, 2024).

According to other opinions, how work is changed plays a very important role in the renewal of organizations. Future work can be mostly shaped by the following three influencing factors (Desmet et al., 2023).

- remote work,
- e-commerce, and
- AI.

If we compare the most important influences presented above with a decade before, we see that at that time digitization and the democratization of knowledge were emphasized by researchers dealing with the future of the consulting industry (Nickler, 2016).

If we look back to earlier years, the authors highlight the change in the form and process of consulting work (Turner, 1982). Generative artificial intelligence can replace certain tasks, but it can make many others easier and less tiring (McGregor, 2023).

The marked transformation affects consulting firms as much as the clients who employ them. (Courtney, 2024). Every new technology application can be both a threat and an opportunity. AI should be seen as a powerful tool that can improve and expand the services provided by consultants (Grag, 2023).

5.1.3 GREENING AND SUSTAINABILITY

Greening and sustainability are key to the renewal of our world. However, the fifth annual research report on the climate commitments of the world's largest companies indicates that climate commitments alone are not enough to bring about real, immediate change (CIP, 2023).

5.1.4 RELATIONSHIPS BETWEEN CLIENTS AND CONSULTANTS

In solving new types of consulting problems (e.g., sustainability), it is also very important to have a suitable relationship and bond between consultants and their clients (Linovski, 2023; Gond, Brès & Mosonyi, 2024).

Consulting companies must introduce more agile and adaptable models that offer a full range of methods and services from human resource management to strategic management consulting (Sayyadi, Collina & Provitera, 2023). According to another author, the key to the future success of consultants lies in 'continuous adaptation, learning and development in order to meet the changing needs of clients in a constantly changing business environment' (SP, 2023). In this compliance process, it is important to keep in mind what Szretykó (2016:60) said- emphasizing the message of Pope Francis - that 'by stopping the processes dominated by profit at all costs, it prioritizes earthly life and the service of human communities.

5.2 OPINIONS OF USING CONSULTANTS IN THE NEXT 12-24 MONTHS

Client responses related to the future use of consultants can be found in. Table 5.1.

Table 5.1 Reasons for using external consultants in the next 12-24 months.

	Hungary (n=94)	Romania (n=42)	Total (n= 136)
Digitization	39.4%	42.9%	40.4%
Robotization and automation	23.4%	26.2%	24.3%
Artificial Intelligence	37.2%	28.6%	34.6%
ESG (Environment; Social; Governance)	17.0%	14.3%	16.2%
Significant legislative changes	38.3%	28.6%	35.3%
Significant change in economic situation	18.1%	21.4%	19.1%
Requirements for a sustainable economy	11.7%	16.7%	13.2%
Difficult economic situation	16.0%	21.4%	17.6%
Maintaining/increasing competitiveness	43.6%	54.8%	47.1%
Recovery from a crisis situation	11.7%	21.4%	14.7%
Other (please specify):	10.6%	2.4%	8.1%
Others:			
Coaching and development of managers, management training	2.1%	2.4%	2.2%
Individual development	1.1%	0.0%	0.7%
Internal organizational problems	1.1%	0.0%	0.7%
Organization development	4.3%	0.0%	2.9%
In order to optimize organizational functioning	1.1%	0.0%	0.7%
Organizational changes	1.1%	0.0%	0.7%
Corporate transformation	1.1%	0.0%	0.7%
Sale	1.1%	0.0%	0.7%
To ensure adequate capacity	1.1%	0.0%	0.7%
Establishing a renewable energy source	0.0%	2.4%	0.7%
Projects	0.0%	2.4%	0.7%
New tasks	1.1%	0.0%	0.7%
Entrepreneurship training, professional lectures	1.1%	0.0%	0.7%

Source: Authors' own research

Analyzing the data Table 5.1, we find that for both countries and as a whole, we get the following order of importance:

- 1) Maintaining/increasing competitiveness
- 2) Digitization
- 3) Significant legislative changes
- 4) Artificial intelligence
- 5) Robotization and automation
- 6) Significant change in economic situation
- 7) Difficult economic situation

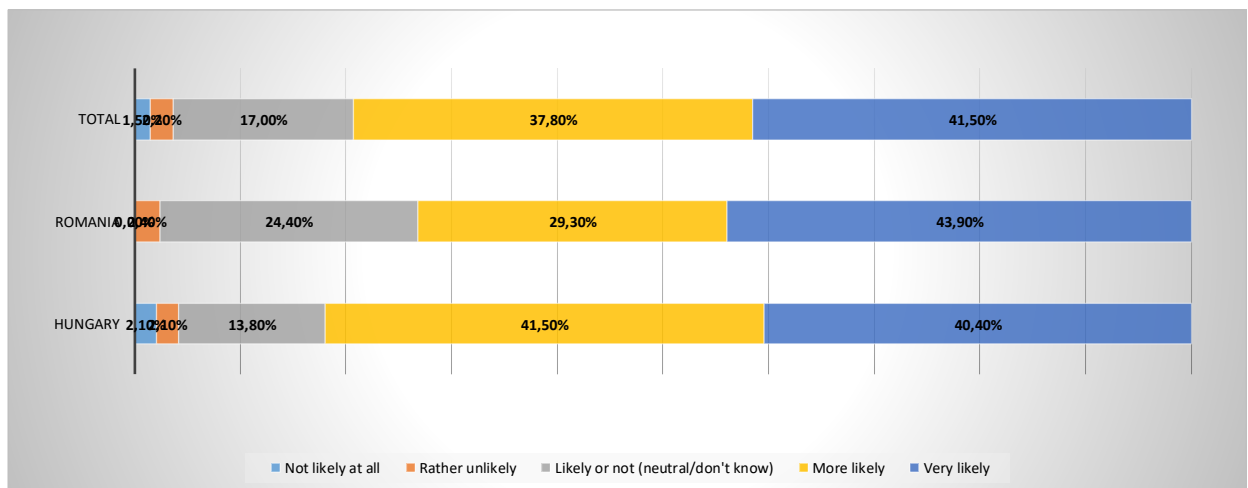
The majority of all respondents (79.3%) – while 81.9% in Hungary and 73.2% in Romania – believe that they will probably still use the work of consultants in the future (Table 5.2).

Table 5.2 Future likelihood of using consulting services (%).

	Hungary	Romania	Total
Not likely at all	2.1%	0.0%	1.5%
Rather unlikely	2.1%	2.4%	2.2%
Likely or not (neutral/don't know)	13.8%	24.4%	17.0%
More likely	41.5%	29.3%	37.8%
Very likely	40.4%	43.9%	41.5%
Total (100%) n=	94	41	135

Source: Authors' own research

Figure 5.1 Future likelihood of using consulting services (%).



Source: Authors' own research

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Fado singer mural, Lisbon, Portugal, photo by Eric Sanders.

6 SPECIFIC REASONS FOR NOT USING EXTERNAL CONSULTING SERVICES (CSILLA JUDIT SUHAJDA, SYLVIA MOLNÁR)

*'I hear, I forget
I see, I remember
I do, I learn'
Confucius¹⁰*

The acceptance of consulting services has only begun to gain ground in the Central and Eastern European states in recent decades (Ibis, 2022; Poór et al., 2023). It is typical for organizations that before that they tried to solve the development of specialist areas from their own resources (Kipping & Clark, 2012) if they had the capacity to do so. In the chapter, we first review what reasons the related empirical research has found in relation to the rejection of counseling services, and then we describe the relevant results of the current research.

6.1 ACCEPTANCES OF EXTERNAL CONSULTING SERVICES

6.1.1 GENERAL TRENDS

Consulting services are knowledge-intensive business services aimed at solving specific customer problems in various areas of company operation. The spread of companies providing external consulting services in the European business environment can be traced back to the period after the Second World War, when the spread of international trade required a new approach to business processes. The use of external services was initially hindered by European managers' exclusive belief in their own competences and the approach that solving problems within the company with external help is a sign of incompetence and weakness (Dano & Hanuláková, 2016).

The consultancy industry in Romania started with foreign trainers in the 1960s within the framework of the UN program, but after a 5-year partnership, it became highly politicized with the establishment of the Enterprise Cadres Training Center (CEPECA) educational institution. The first consulting companies appeared on the new, free market in the period following the regime change in 1989. Ciumara and Lupu's (2016) study on the situation of the consulting industry in Romania highlights that the supply of consulting services is unevenly distributed among the country's 8 regions. The large number of employees employed by consulting companies are concentrated in the Bucharest-Ilfov, West, Central and North-West regions, where the potential customer base is larger due to economic development. Of the 4 consulting specialties

¹⁰ Confucius (551–479 B.C.) was a B.C. was a fifth-century Chinese thinker whose influence on East Asian intellectual and social history is immeasurable.

examined by the authors, the most profitable enterprises are present in 2 types of consulting activities, which are business and management consulting, as well as accounting, auditing services, and tax consulting. Looking at each consulting industry separately, the total profit is greater than the economic loss for all four types of consulting activity. The formation and development of consulting services in Hungary can be characterized as a complex process that is linked to many historical, economic and social factors. The development of the industry in Hungary can be traced back to the period after the regime change in 1989, as in the countries of the Central and Eastern European region (CEE). Szeiner et al. (2020) confirms the theory of many previous researchers and points to the relationship between national culture and the need for consulting services. The uncertainty avoidance index of the multidimensional cultural comparison model created by Hofstede expresses the attitude of the given society towards uncertain situations (Németh, 2024). The use of consulting services can involve significant risk for the client, so it can be assumed that the high uncertainty avoidance index characteristic of the entire CEE region significantly influenced the development of corporate practices related to the use of consulting services.

The landscape of the consulting industry has undergone significant changes in recent years, particularly as a result of digital transformation, post-pandemic economic recovery, and rising inflation and energy prices. Based on the annual report of FEACO (2024), in the 2021-2023 period, the turnover of management consulting increased by an average of 12.2% per year in the 11 investigated countries of Europe, peaking at a record value of 16% in 2022. This growth rate exceeds the value reached in the 2017-2019 period, before the epidemic, by 50%. The growth was driven by companies' need for support with technology, strategy and operational operations related to digital and green transformation initiatives, as well as global environmental uncertainties. Further strong growth can be observed in the case of consulting services related to HR and change management (+30%) and strategy projects (+22%). With the exception of 2 countries, the growth in 2021-2023 is well beyond the short-term recovery after the 2020 downturn. While in the case of Romania, the market growth is -0.6% behind the result of the pre-Covid period, Hungary is -6% behind. The uncertainties in the current international environment also give an idea of future trends. Based on the forecasts, the market can be expected to grow slowly but continuously, which may reach 7% in 2024.



Sunrise at Cricket Creek, Illinios, USA, photo by Eric Sanders.

6.1.2 OBJECTIONS TOWARDS EXTERNAL CONSULTING SERVICES

With regard to the consulting service, the objections related to consulting companies are the most significant on the part of businesses. According to Fields (2012), large consulting firms are no longer the best solution to most clients' problems because although they have well-designed processes and highly trained professionals, big ideas and unique solutions come from specialists in small consulting firms in 70% of cases. This is mainly because the increased headcount of large consultants reduces efficiency, and the pooling of a wide range of capabilities results in overheads and expenses that the client must pay whether they need those capabilities or not.

The entrepreneurial mindset is more present in small businesses compared to large consulting firms, whose organizational structure is similar to that of large companies with the necessary politics, bureaucracy and adherence to guidelines, which prolongs the adoption of new ideas and even the introduction of minor changes. Kerr (2015) also argues that large consulting firms tend to use a business model in which the most experienced partners sell the service but work is done by their least experienced colleagues, which leads to dissatisfaction and tarnishes the reputation of the consulting profession. He cites the following as the most common reasons for rejecting external consultants.

experts use template problem-solving methods used elsewhere to maintain industry standards,
the client's previous bad experiences with advisers,
the client thinks he has a better understanding of the field and is able to find solutions to problems himself,
fear of failure,
fear that the manager's competence will be questioned if a consultant is used,
consultants cost too much.

Consulting firms will increasingly focus on helping organizations implement AI, machine learning, and automation tools, starting from data analysis through robotic process automation to data-driven decision-making (Németh, 2021). Consulting services are increasingly leveraging big data analytics to provide clients with deeper insights and more accurate recommendations. In addition to analyzing historical data, consultants also use predictive and prescriptive analytics to predict trends and prescribe actionable steps.

6.1.3 OBJECTIONS TOWARDS OUTSOURCING HUMAN MANAGEMENT CONSULTING SERVICES

The manager as coach (MAC) concept is a tool used by managers in the field of HR to improve the skills, competences and performance of subordinates, the effectiveness of which is the subject of debate among researchers. In his research among 13 managers and 9 subordinates, Ben-Hador (2024) investigated whether the respondents consider coaching work performed by an external or internal party to be more effective. During the interviews, the majority of respondents argued in favor of using a manager within the organization as opposed to a professional external coach. The reasons for this were attributed to the fact that an external consultant knows the organization less, while the local manager has a better understanding of local conditions, is interested in the success of his subordinates, and therefore invests more energy in their development. Subordinates can learn from the manager's good and bad experiences.

In their study, Xuewen and Loang (2024) point out that there are two views on the impact of outsourcing HR tasks in the shadow of their strategic positions. One view is that HR outsourcing relieves managers of the hassle and allows them to devote more energy to their priorities, participate in the strategic decision-making of the business, and contribute more to the business, thus strengthening its strategic position. Another point of view is that HR outsourcing leads to a change in the structure of the entire HR department, increases the workload on employees,

increases the company's mobility, reduces the resource control of the HR department, and is not conducive to development and worsens the strategic position of the HR department. In many cases, it is precisely this last argument that is the reason for significant managerial resistance to the outsourcing of HR tasks, in most cases from the HR side.

6.2 REJECTION OF USE OF EXTERNAL CONSULTING SERVICES

In our empirical research, we also asked the respondents about the reasons for not wanting to use counseling services. The results are presented by the country.

Table 6.1a Reason why clients have not used external consulting in any area so far (%) - Hungary.

	Not at all important	Rather not important	It was important and not at all (neutral)	It was rather important	It was very important	N=
I do not believe in consulting	29.4%	15.7%	47.1%	5.9%	2.0%	51
We do not want an external person to see into the affairs of our organization	20.4%	20.4%	29.6%	18.5%	11.1%	54
We would occasionally need professional support in one area or another, but we do not know a suitable specialist	23.1%	17.3%	17.3%	32.7%	9.6%	52
We do not need external consulting	9.4%	28.3%	35.8%	11.3%	15.1%	53
We do not have time to look for a consultant	23.5%	21.6%	29.4%	15.7%	9.8%	51
Financially, we cannot afford to seek advice	22.6%	15.1%	24.5%	7.5%	30.2%	53
We have our own people for each sub-area, we do not need external expertise	17.6%	15.7%	25.5%	19.6%	21.6%	51
Our company is in a special situation, there is no consultant suitable for us	30.0%	10.0%	30.0%	20.0%	10.0%	50
So far, no consulting offers have been received that can be taken into account	28.6%	6.1%	30.6%	16.3%	18.4%	49
Other (Please explain.):						

Source: Authors' own research

The respondents in Hungary explained their non-use of consulting services mainly by the difficulty of creating financial resources and the lack of knowledge of the appropriate specialists. It is typical of the Hungarian sample that they are basically aware of the characteristics, peculiarities and actors of the consulting market, but either because of previous experiences or

because of distrust, they did not take advantage of the possibilities of the service. At the same time, data also indicates that the actors of the consulting market are looking for contact with these organizations, but so far, they have not been able to offer what the responding organizations would have accepted.

Table 6.1b Reason why clients have not used external consulting in any area so far (%) – Romania.

	Not at all important	Rather not important	It was important and not at all (neutral)	It was rather important	It was very important	N=
I do not believe in consulting	40.9%	27.3%	22.7%	9.1%	0.0%	22
We do not want an external person to see into the affairs of our organization	27.3%	18.2%	18.2%	22.7%	13.6%	22
We would occasionally need professional support in one area or another, but we do not know a suitable specialist	26.1%	8.7%	17.4%	34.8%	13.0%	23
We do not need external consulting	13.6%	36.4%	27.3%	13.6%	9.1%	22
We do not have time to look for a consultant	45.5%	22.7%	13.6%	13.6%	4.5%	22
Financially, we cannot afford to seek advice.	27.3%	9.1%	27.3%	36.4%	0.0%	22
We have our own people for each sub-area, we do not need external expertise	31.8%	27.3%	13.6%	22.7%	4.5%	22
Our company is in a special situation, there is no consultant suitable for us.	52.4%	28.6%	9.5%	4.8%	4.8%	21
So far, no consulting offers have been received that can be taken into account	33.3%	14.3%	19.0%	23.8%	9.5%	21
Other (Please explain.):						

Source: Authors' own research

The respondents in Hungary explained their non-use of consulting services mainly by the difficulty of creating financial resources and the lack of knowledge of the appropriate specialists. It is typical of the Hungarian sample that they are basically aware of the characteristics, peculiarities and actors of the consulting market, but either because of previous experiences or because of distrust, they did not take advantage of the possibilities of the service. At the same time, data also indicate that the actors of the consulting market are looking for contact with these organizations, but so far, they have not been able to offer an offer that the responding organizations would have accepted.

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Nurse tree in Olympic National Forest, Washington State, USA, photo by Eric Sanders.

7 REASONS THAT WILL INCREASE THE USE OF EXTERNAL CONSULTANTS OVER THE NEXT 12 TO 24 MONTHS

(BOTOND GÉZA KÁLMÁN, SZILVIA SZALAI MÓDOSNÉ)

'A business coach's work is not measured by whether his advice is taken or not. There is only one thing that measures his work: whether they call him again, whether they are curious about what he can hear from him.'

László Mérő¹¹

In this chapter, we first review the trends in counseling in Hungary and Romania. After that, we describe the consulting trends for the future that we experienced during our empirical research described in Chapter 1.

7.1 INTERNATIONAL GENERAL TRENDS OF USE OF EXTERNAL CONSULTING SERVICES

As we indicated in previous sections, consulting is a separate discipline in itself, such as marketing or human resource management (Poór et al., 2022). Therefore, like these, nowadays consulting is undergoing significant development and transformation. Today's application of IT, machine learning methods, Big Data and artificial intelligence leads to tomorrow's success in consulting (Poór et al., 2022). The importance of the role of consulting services in the activities of businesses is growing in both Hungary and Romania.

Consulting services help businesses improve management skills, increase employee satisfaction, and promote organizational change and innovation (Torma et al., 2016). These services have now become so popular that large international consulting firms also offer their services to, for example, company managers (Peachman, 2023). However, there are significant differences between a consultant and a coach. The most important of these is that the consultant is a specific field, e.g., tax, law or marketing expert and gives advice in response to specific questions. The coach, on the other hand, develops his client's abilities more with motivation than with specific advice.

Therefore, the present work focuses only on consultants. The growing popularity and positive results show that consulting services are playing an increasingly important role in the success of businesses in both countries. In Romania, the importance of these services has

¹¹ László Mérő (1949-) is a mathematician and psychologist, since 2003 he has been teaching business consulting to senior managers. Winner of the economic category of the Who is Who Award (2013).

steadily increased in recent years. Local businesses are increasingly recognizing the benefits of consulting.

The main goal of consulting services is to increase workplace performance and improve corporate culture (Czarniawska-Joerges & Mazza, 2018). According to Popescu and Dincă (2020), Romanian businesses are increasingly investing in consulting services, especially multinational companies operating in the country, which also use these methods on a global level, including, for example, in the recruitment and selection of labor (Jobya, 2023). Several studies have also found that consultants are particularly useful in strategic thinking and problem solving. According to the aforementioned study by Popescu and Dincă (2020), Romanian companies primarily use consulting for three purposes. One of them is to improve the efficiency of decision-making by relying on the relevant specialist information. Another main goal is to increase company efficiency and reduce workplace stress. In addition, a significant proportion of consultants are used for the effective management and management of organizational changes and transformations.

In Hungary, consulting services are also increasingly popular among businesses. One of the reasons for this is the continuous development of the Hungarian economy and the need to appear on the international market (Bakacsi, 2019). According to Bakacsi (2019), Hungarian companies employ consultants to increase performance, obtain appropriate information, and increase the efficiency of innovation. Consulting services have a significant impact on the competitiveness and long-term success of Hungarian businesses, and thereby contribute to increasing workplace satisfaction and strengthening the commitment of employees (Tóth & Kerekes, 2021).

Based on Chapter 5 it can be said that the majority of the companies examined in this research (almost 80%) are expected to use consulting services in the future (Table 5.2). However, this also means that one fifth of respondents do not plan to use consultants in the future. According to Chapter 6, there are several reasons for this (Tables 6.1 and 6.2). Respondents from both countries most often explain their decision by having the right internal person at the organization. Another common reason is the opposite: you do not use a consultant because you do not know a suitable specialist. The third reason, that they do not have sufficient resources to pay the price of the consulting service, was equally expressed by the Hungarian and Romanian respondents.

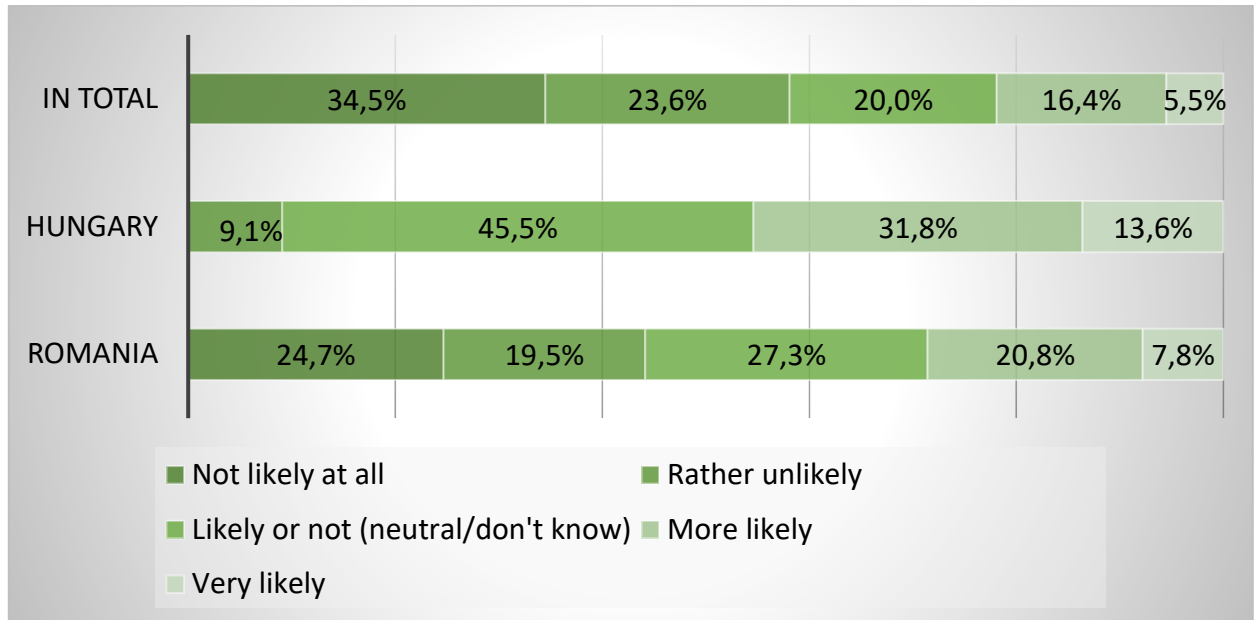


Butterfly in Elmhurst, Illinois, USA, photo by Eric Sanders.

7.2 OPPORTUNITIES OF USING EXTERNAL CONSULTING SERVICES IN THE FOLLOWING 12-24 MONTHS

Although some of the organizations participating in the research do not plan to use consulting services in the future, it is worth examining the proportion of them who see an opportunity to change this decision (Figure 7.1).

Figure 7.1 Likelihood of use of external consulting services in the next 12-24 months (%)



Source: Authors' own research

Almost one-third (30%) of the organizations in the two countries examined consider it possible that, despite their current stay, they will use the help of a professional consultant in the next two years. But this average is the result of significant differences between individual countries. Only 22 percent of Hungarian organizations believe that they will change their current position, while this proportion among Romanian organizations is 45 percent. If we also assume that the companies giving a neutral answer will use consulting, then the proportion of Hungarian companies rises to 42 percent, while that of Romanian companies rises to 91 percent. Accordingly, almost 60 percent of those who do not currently use the advisory service in Hungary do not even want to change this situation. In Romania, the proportion of like-minded organizations is only 9 percent. This suggests that companies in Romania have a much more flexible approach to the role of consulting than in Hungary.

In addition to examining the flexibility of decisions, an important question is also what are the reasons that the respondents use to explain their change of position. The questionnaire used during the survey lists 15 possible answers. These are summarized in Table 7.1.

Table 7.1. Reasons for increasing the use of external consulting services (%)

Reasons	Hungary (n=58)	Romania (n=23)	Total (n= 81)
Digitization	43.1%	47.8%	44.4%
Robotization and automation	13.8%	8.7%	12.3%
Artificial Intelligence	25.9%	30.4%	27.2%
ESG (Environment; Social; Governance)	10.3%	13.0%	11.1%
Significant legislative changes	44.8%	17.4%	37.0%
Significant change in economic situation	27.6%	30.4%	28.4%
Requirements for a sustainable economy	12.1%	17.4%	13.6%
Difficult economic situation	27.6%	30.4%	28.4%
Maintaining/increasing competitiveness	50.0%	52.2%	50.6%
Recovery from a crisis situation	13.8%	13.0%	13.6%
Other (please specify):	12.1%	4.3%	9.9%
Others			
Time management	1.7%	0.0%	1.7%
Political reasons	1.7%	0.0%	1.7%
OD, management development and coaching	1.7%	0.0%	1.7%
Training, coaching	1.7%	0.0%	1.7%

Source: Authors' own research

In both countries, increasing competitiveness is the most important reason why the interviewed organizations are expected to seek a consultant. Roughly half of the respondents explain their change of mind with this. In both countries, the percentage of organizations that would use a professional business consultant to solve the tasks and problems associated with the development of digitalization is also over forty percent. Among the Hungarian respondents, there is a similar proportion of organizations that are resistant to changes in the legal environment. In Romania, however, only 17 percent said the same.

In order, the next three most common reasons are a significant change in the economic situation, the difficult economic situation, and the increasing role of artificial intelligence in economic decisions. These reasons are mentioned by 30 percent of the Romanian respondents, and roughly a quarter of the Hungarian organizations made a similar statement. In both countries,

the organizations similarly judge the usefulness of the consulting service in recovering from the crisis, achieving sustainability, in the area of ESG and in dealing with issues related to robotization. Roughly 10 percent justified the fact that they would still turn to a counselor in the next 1-2 years. Time management and political reasons, on the other hand, were considered important by only a few percent.

Comparing our results with the literature, the following conclusions can be drawn. Assessing the use of consulting services depends on a number of factors, including the size of the company, industry, and management approach. In Romania, the demand for consulting services by businesses has grown significantly in recent years. The growth is primarily driven by the prospect of international markets and the need to increase economic competitiveness. According to Popescu & Dincă (2019), about 40% of Romanian businesses used some kind of consulting service in the last year. Consulting services include strategic, management, operational and financial consulting. The same research found that the demand for consulting services is particularly high among medium and large companies. These companies often seek external experts to develop corporate strategy and increase efficiency (Kulcsár et al, 2016).

A similar trend can be observed in Hungary as well, although the proportions are slightly different here. According to Bakacsi (2020), approximately 35% of Hungarian businesses used consulting services. The ratio is higher among larger companies, as they face a more complex organizational structure and greater market challenges. The main challenges include the development of company long-term goals and strategies, financial planning, risk management and tax optimization, as well as the development of managers' skills and the increase of management efficiency (management coaching). The differences between the two countries are partly due to the different economic environment and business culture. In Romania, for example, there is a greater emphasis on strategic and operational consulting, while in Hungary financial consulting also plays a prominent role. However, in both countries, management consulting is growing in popularity as companies recognize the importance of developing leadership skills for long-term success.

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Neuschwanstein, Germany, photo by Eric Sanders.

8 RESPONDING ORGANISATIONS AND RESPONDENT CHARACTERISTICS (GÁBOR LÁNC, SZILVIA SZABÓ, TAMÁS HÁMORI)

'Ignorant men raise questions that wise men answered a thousand years ago.'

*Johann Wolfgang von Goethe*¹²

In this chapter, we describe the characteristics of the organizations and organizational participants that responded during the research.

8.1 OWNERSHIP OF RESPONDING ORGANISATIONS

Table 8.1 shows the distribution of respondents according to the types of owners in Hungary and Romania. The analysis focuses on the proportion of different forms of ownership in the two countries and also discusses aggregated data. The main results of the analysis are as follows:

State or local government ownership: 21.1% of respondents in Hungary are state or local government owned, while in Romania this proportion is only 4.7%. This difference may indicate that in Hungary the public sector has a stronger presence - at least from the respondents - in the business sector. A total of 16.2% of the respondents in the two countries belong to this category, but the number of respondents cannot be considered completely sufficient in terms of full representativeness.

Domestic private ownership: The proportion of respondents with domestic private ownership is by far the highest in Romania, 71.9 percent, compared to 46.1 percent in Hungary. 53.7 percent of all respondents work privately in Hungary.

Foreign or mixed private ownership: In Hungary, 25.7 percent of the responding companies are foreign or mixed privately owned, while in Romania this proportion is 14.1 percent. The total rate is 22.2%.

Non-profit organizations: The proportion of responding non-profit organizations in Hungary is 6.6%, in Romania 7.8%, 6.9% of all respondents belong to this category.

Other: The respondent category "Other" is present in a very low proportion, both in Hungary (0.7%) and Romania (1.6%), overall 0.9%.

¹² Johann Wolfgang von Goethe (1749-1832) German poet and naturalist

Table 8.1 Distribution of ownership forms (%)

Ownership forms		Hungary	Romania	Total
State, municipality	21.1%		4.7%	16.2%
Domestic private	46.1%		71.9%	53.7%
Foreign or mixed private	25.7%		14.1%	22.2%
Non-profit organization	6.6%		7.8%	6.9%
Other	0.7%		1.6%	0.9%
Total (100%) n=	152		64	216

Source: Authors' own research

Many studies have been published on the various economic effects of ownership forms. For example, Kipping and Clark (2012) argue that foreign-owned companies play an important role in the modernization of local economies, especially in Central and Eastern European countries (Poór, et al. 2022; Németh, 2018, 2022). However, Kubr (1996) argues that domestically owned enterprises strengthen a country's economic independence and the employment of local labor.



Wind energy farm in Illinois, USA, photo by Eric Sanders.

8.2 SIZE

The size of the organizations was examined from two aspects (number of employees and sales revenue).

8.2.1 NUMBER OF EMPLOYEES

Table 8.2 shows the distribution of the surveyed responding organizations in Hungary and Romania according to the number of employees.

Small businesses employing 1-9 people: In Romania, small businesses predominate among the respondents (42.9%), with 26.0% of the respondents in both countries belonging to this category.
Enterprises and other organizations employing 10-49 people: The proportion of responding enterprises belonging to this category is 20% in Hungary and 31.7% in Romania.
Medium-sized enterprises and organizations employing 50-249 people: The proportion of responding medium-sized enterprises is high in Hungary, 24.8%, while in Romania it is only 9.5%. Regarding the two countries, 20.2 percent of the respondents belong to this category.
Larger organizations employing 250-499 people: The proportion of responding large companies employing 250-499 people and medium-sized enterprises is 11.7% in Hungary and 7.9% in Romania. The total rate is 10.6 percent.
Large companies and organizations employing 500-1,999 people: The proportion of responding large companies in Hungary is 13.8 percent, while in Romania it is only 3.2 percent. Overall, 10.6 percent of the examined companies belong to this category.
Large companies and organizations with over 2,000 employees: The proportion of responding large companies is 11 percent in Hungary and 4.8 percent in Romania. Overall, 9.1 percent of respondents belong to this category.

The analysis reveals that SMEs dominate among the responding organizations in Romania while the proportion of medium and large companies is higher in Hungary. According to the European Union's SME literature (OECD, 2019), SMEs generally have a stronger presence in the economy, especially in the Eastern European region, as they respond more flexibly to changes in the local market. However, the presence of medium and large companies reflects a stable economic environment and long-term investment potential (Bartlett & Ghoshal, 1997).

Table 8.2 The average number of employees (%)

	Hungary	Romania	Total
1-9 persons	18.6%	42.9%	26.0%
10-49 persons	20.0%	31.7%	23.6%
50-249 persons	24.8%	9.5%	20.2%
250-499 persons	11.7%	7.9%	10.6%
500-1999 persons	13.8%	3.2%	10.6%
Above 2000 persons	11.0%	4.8%	9.1%
Total (100%) n=	145	63	208

Source: Authors' own research

8.2.2 REVENUE

Table 8.3 shows the distribution of respondents according to sales revenue in Hungary and Romania. The analysis reveals the proportion of responding companies belonging to different revenue categories and presents the differences between the two countries as well as a comparison of the aggregated data.

Businesses and organizations with a turnover of less than EUR 130,000 (HUF 50 million): Overall, 26.8% of the respondents belong to this category. This difference may indicate that in Romania (32.2%) companies with low turnover dominate among the respondents.

Enterprises and organizations with a turnover of between 130,000 and 300,000 euros (50 million and 120 million forints): there are relatively few such responding enterprises in Hungary (6.7 percent), while in Romania there are much more (20.3 percent). A total of 11.2 percent of respondents belong to this category.

Companies and organizations with a turnover between 301,000 and 1.5 million euros (120.1 million and 550 million forints): We find a similar percentage in Hungary (15.0%) and Romania (20.3%). According to the total data, 16.8% of the respondents belong to this category.

Enterprises and organizations with a turnover between 1.5 million and 7 million euros (550.1 million and 2.7 billion HUF): in Hungary (15.0%), Romania (8.5%). Overall, 12.8% of the respondents belong to this category.

Companies and organizations with a turnover between 7.1 million and 70 million euros (2.71 billion and 27 billion euros): The proportion of responding large companies in Hungary (26.7 percent) is significantly higher than in Romania (13.6 percent). 22.3 percent of respondents belong to this category.

Companies and organizations with a turnover between 71-300 million euros (27.1-12 billion euros): Hungary's share in this category is also high, 9.2 percent, while in Romania it is only 3.4 percent among the responding companies. The total share is 7.3 percent.

Companies with a turnover greater than EUR 300 million (HUF 120 billion): The proportion of responding large companies in the category is 3.3 percent in Hungary and 1.7 percent in Romania. 2.8 percent of all respondents belong to this category.

According to Bartlett and Ghoshal's (1997) global business strategy, companies with higher revenues are in a more competitive position in international markets.

Table 8.3 Distribution of annual budget/sales in 2023 (%)

	Hungary	Romania	Total
Under 130 thousand €	24.2%	32.2%	26.8%
130 thousand – 300 thousand €	6.7%	20.3%	11.2%
301 thousand – 1.5 million €	15.0%	20.3%	16.8%
1,5 million – 7 million €	15.0%	8.5%	12.8%
7,1 million – 70 million €	26.7%	13.6%	22.3%
71 million – 300 million €	9.2%	3.4%	7.3%
Above 300 million €	3.3%	1.7%	2.8%
Total (100%) n=	120	59	179

Source: Authors' own research

8.3 FIELD OF OPERATIONS (SECTOR)

Table 8.4 shows the distribution of respondents according to operational areas in Hungary and Romania. Based on the data, the sectoral distributions of the companies operating in the two countries can be observed, and the differences in the economic structure of the two countries can be understood through the comparison.

Industry (consumer goods, industrial products and manufacturing). The industrial sector plays an important role in both countries: 21.7 percent of respondents in Hungary and 24.6 percent in Romania work in this sector. Overall, 22.6 percent of respondents work in this sector, which is one of the highest percentages among different sectors.

Energy and utilities sector (oil and gas, chemical industry and petrochemicals, utilities). The energy industry represents a small proportion of respondents in both countries, 3.3 percent

in Hungary and 3.1 percent in Romania. According to the aggregate data, this amounts to 3.2 percent, which is relatively low.

Agriculture: The presence of companies operating in the agricultural sector in Romania is significant (10.8%), while in Hungary it is only 2.0%. The sector accounts for 4.6% of all companies, indicating that agriculture plays a larger role in the Romanian economy.

Financial services (banking and financial services, insurance). Among the responding organizations, 5.3 percent in Hungary and 3.1 percent in Romania. A total of 4.6 percent of respondents work in this sector, which can be considered of medium importance.

Telecommunications and media sector: 2.6 percent of respondents in Hungary and none in Romania work in the telecommunications and media sector. The average rate is 1.8 percent.

Information technology sector: The proportion of the IT sector among the respondents in both countries is almost the same, 5.3 percent in Hungary and 4.6 percent in Romania.

Retail and wholesale trade: The share of the trade sector among the responding organizations is 11.8 percent in Hungary and 10.8 percent in Romania. Overall, the rate is relatively high, 11.5 percent.

Other services (tourism, private healthcare, business services). the other service sector is more important among the respondents in Romania (23.1 percent) than in Hungary (15.1 percent), 17.5 percent of the combined respondents work in this sector.

Public sector (central and local). The public sector plays a more important role among the respondents in Hungary (10.5 percent), while in Romania it is only 3.1 percent. The overall rate is 8.3 percent.

Non-profit sector: The share of the responding non-profit sector is 6.6 percent in Hungary and 4.6 percent in Romania. Overall, 6.0 percent of respondents work in this sector.

Education and adult education: 5.9 percent of respondents in Hungary, none in Romania. A total of 4.1 percent of respondents belong to this category.

Other: The 'other' category appears in a similar proportion in both countries, 9.9 percent in Hungary and 12.3 percent in Romania. Among all respondents, this rate is 10.6 percent.

While in Romania, for example, agriculture and the service sector are strong among the respondents, in Hungary it is industry and the public sector.

Table 8.4 Distribution of field of operations (%)

	Hungary	Romania	Total
Industry (consumer and industrial products, processing industry)	21.7%	24.6%	22.6%
Energy and utilities sector (oil and diesel, chemical and petrochemical materials and utilities)	3.3%	3.1%	3.2%
Agriculture	2.0%	10.8%	4.6%
Financial services (banking and finance, insurance)	5.3%	3.1%	4.6%
Telecommunications and media sector	2.6%	0.0%	1.8%
IT	5.3%	4.6%	5.1%
Retail and wholesale	11.8%	10.8%	11.5%
Other services (tourism, private healthcare, business services)	15.1%	23.1%	17.5%
Public sector (central and local)	10.5%	3.1%	8.3%
Non-profit sector	6.6%	4.6%	6.0%
Education	5.9%	0.0%	4.1%
Other	9.9%	12.3%	10.6%
Total (100%) n=	152	65	217

Source: Authors' own research

8.4 YEAR OF FOUNDATION OF RESPONDING ORGANIZATION

Table 8.5 shows that the majority of the responding organizations were founded before 2010. There is a difference between Hungary and Romania that almost a quarter of the Hungarian respondents were based before 1990 while in the case of Romania this does not reach 8%. In terms of the two countries, different political and social development and business establishment opportunities can certainly be seen before the year 1990.

The foundation year of the Hungarian respondent organizations ranges between 1990 and 2000 (32.2%) while the Romanian respondent organizations (33.8%) between 2001 and 2020.

Table 8.5 Year of foundation of responding organization (%)

	Hungary	Romania	Total
Before 1990	23.7%	7.7%	18.9%
1990-2000	32.2%	20.0%	28.6%
2001-2010	20.4%	33.8%	24.4%
2011-2020	17.1%	26.2%	19.8%
After 2020	6.6%	12.3%	8.3%
Total (100%) n=	152	65	217

Source: Authors' own research

8.5 INFORMATION ON RESPONDENTS

In Hungary, the proportion of people with higher education is 29.8% of the population. In Table 8.6, we can see that the education of the respondents participating in the research is not coincidentally higher than the average of the society, since, as we will see later, the questionnaire was filled out by people in senior positions. Half of the Hungarian respondents in the research sample have a university degree while almost 2/3 of the Romanian respondents have a university degree (66.1%).

Overall, the educational level of Romanian respondents is higher, so the proportion of PhD and university graduates is also higher, and the proportion of college graduates is lower than in the case of Hungarian respondents.

Table 8.6 Level of education (%)

	Hungary	Romania	Total
PhD	0.7%	3.2%	1.4%
University (MA/MSc)	50.0%	66.1%	54.8%
College (BA/BSc)	47.3%	25.8%	40.9%
Graduation, vocational school	2.1%	4.8%	2.9%
Total (100%) n=	146	62	208

Source: Authors' own research

Table 8.7 shows that in both Romania and Hungary, the mode of basic education of the respondents is social sciences or humanities. This is 54% in the case of Hungary while 39% in the case of Romania. Regarding both countries, the second most typical basic education of the respondents is technical. The third most typical Romanian answer to the basic education

of the respondents is natural science (11.9%) while the third most typical Hungarian answer to the basic education of the respondents is economics (14.6%).

Table 8.7 Field of education of responding person (%)

	Hungary	Romania	Total
Natural sciences	4.4%	11.9%	6.6%
Technical sciences	22.6%	37.3%	27.0%
Social sciences	54.0%	39.0%	49.5%
Economic	14.6%	5.1%	11.7%
Other	4.4%	6.8%	5.1%
Total (100%) n=	137	59	196

Source: Authors' own research

Regarding the answers to the current position of the respondents - 8.8. table – in the case of both Hungary and Romania, the median value fell on the leader / managing director, more pronounced in the case of Romania (41.7%) than in the case of Hungary (31.3%). The second most frequent occurrence in the case of Romania is the manager (25%) while in the case of Hungary the expert (25%).

It is striking that only 6.7% of the Romanian responses came from non-managerial positions (expert and other) while 26.4% of the Hungarian responses came from non-managerial positions.

It seems that the Hungarian organizations have delegated the task of completing the questionnaire to a somewhat lower level.

Table 8.8 Current position/title of responding person (%)

	Hungary	Romania	Total
General/CEO Director	31.3%	41.7%	34.3%
President/Director Deputy	2.1%	6.7%	3.4%
Manager/ Head of department	20.8%	20.0%	20.6%
Manager	19.4%	25.0%	21.1%
Expert	25.0%	6.7%	19.6%
Other	1.4%	0.0%	1.0%
Total (100%) n=	144	60	204

Source: Authors' own research

Table 8.9 shows that in the case of both Hungary (28%) and Romania (34.4%), the median value of respondents held less than 3 years in their current position. The second most common value in Hungary is 6-10 years (22%), and in the case of Romania it is more than 15 years (23%).

Table 8.9. Responding person's length of service in current position (%)

	Hungary	Romania	Total
0 – 3 years	28.0%	34.4%	29.9%
4 – 5 years	20.0%	19.7%	19.9%
6 – 10 years	22.0%	11.5%	19.0%
11 – 15 years	12.0%	11.5%	11.8%
more than 15 years	18.0%	23.0%	19.4%
Total (100%) n=	150	61	211

Source: Authors' own research

Based on the data in Table 8.10, a relatively high number of Hungarian respondents did not want to answer the question about the gender of the respondent (8.7%) while in the case of Romanian respondents it was a fraction (1.6%).

The gender distribution of the Hungarian respondents is balanced (46% and 45.3%, respectively) while the distribution of the Romanian respondents has shifted towards men (35.9% and 62.5%, respectively) showing that in Romania a higher proportion of respondents hold senior positions (Table 8.8), thus also the effect of the glass ceiling in front of the ladies in Eastern Europe.

Table 8.10. Gender of responding person (%)

	Hungary	Romania	Total
woman	46.0%	35.9%	43.0%
man	45.3%	62.5%	50.5%
other	8.7%	1.6%	6.5%
Total (100%) n=	150	64	214

Source: Authors' own research

Based on the ownership distribution, size, number of employees, sales, and other characteristics of the companies participating in the research, we can see that the organizational sample - the respondents - is not completely representative. Ensuring representativeness exceeded the resources of the research. Nevertheless, the research as a whole has brought to the surface

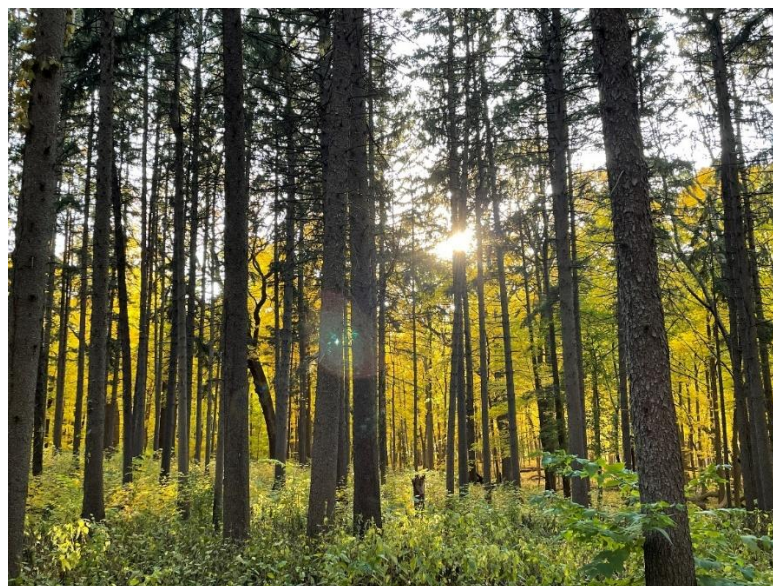
important new data and information from the point of view of the examination of the consulting client's needs with regard to the two countries.

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Morton Arboretum, Illinois, USA, photo by Eric Sanders.

9 CONSULTING CASES

(CSILLA JUDIT SUHAJDA, KINGA KERÉKES)

*'Business opportunities are like buses,
there's always another one coming.'*
Richard Branson¹³

In the course of the research, we prepared several cases, of which we present five from Hungary and five from Romania.



Source: https://www.freepik.com/free-photo/people-working-as-team-company_19534493.htm#query=employee&position=8&from_view=keyword&track=ais_hybrid&uuid=1db81a66-9b72-42c7-acdf-b304ed8132fb

9.1 CASES FROM HUNGARY

9.1.1 ELECTRONIC CO.

(ZOLTÁN KISS, JUDIT CSILLA SUHAJDA)

The examined company is an international company group, a family business. This case study was prepared for the site in the county of Pest in Hungary. The number of employees in the plant is approximately 200, and their annual sales are between 8 and 11 million euros. The site is part of a larger group of companies, which deals with the production of electronic products manufactured in small and medium ranges (e.g.: automotive electronic surface-mounted products, medical devices, control panels) as a contract manufacturer. Currently, through no fault of

¹³ Sir Richard Charles Nicholas Branson (1950) is an English business magnate, best known for co-founding the Virgin Group in 1970, which today controls more than 400 companies in various fields.

the organization, it is in a difficult situation due to the withdrawal of the customer that provides half of the turnover and is struggling to survive.

The examined organization has used consulting services several times in the areas of HR, quality, IT, education, logistics and interim management. When selecting consultants, great attention is paid to real professional knowledge and existing references. According to the management, 'external eyes were useful' from the point of view of the organization's development, since they were able to achieve quick and measurable results with the broader experience gained and tested at other companies. During the implementation of a project task or change management, they did not have to solve the additional human resources needed for the transition period by expanding their own staff, but they were able to quickly and efficiently provide the company with the professional knowledge and the need for specialists for the task. For the operation of an organizational unit and in order to meet customer needs, an interim manager was employed, who replaced the duties of the outgoing manager and helped with the selection, training, and integration of the new manager. Due to the automation of logistics and inventory processes and the introduction of digitization, it proved necessary to involve a consulting team that could implement a solution tailored to the company's needs. In the area of HR, in recruitment, together with a consulting company, they were able to replace the hiring of employees in key positions during the growth phase. This was primarily necessary due to the organization's lack of HR capacity, which made it possible to use resources for the dumping period in such a way that an increase in the organization's recruiting staff could thus be avoided.

When choosing a consulting company, the company's management considered it important to recommend familiar professionals active in the industrial segment or experience gained during previous work relationships. Good reputation, recognition in the profession, credibility and excellent communication skills were just as important factors as the proportionality of the fee for the task to be performed. Their partners had to be capable of performing complex tasks based on their education, professional knowledge, skills, and competencies. Knowledge of today's professional trends, experience in innovative solutions, extensive knowledge of digitalization, IT systems and software, and the practical application of data processing and report preparation methods are essential. An outstanding aspect is that they should be flexible with regard to the tasks and conditions defined in the contract. It is expected that the consultants providing the service will be open to getting to know and understanding the organization's processes and systems. It is important to be able to perform a root cause analysis with appropriate methods and to put together a feasible implementation plan for the real problem together with the members of the organization. The company contracts exclusively with consulting companies that are fully committed to achieving the company's goals, prepare a time plan that meets expectations, and consistently

perform their tasks in such a way that both partial and final results can be economically justified. The head of the company explained that it is a stipulation for professionals who are externally connected to the organization that they must be able to establish a well-functioning partnership and cooperative relationship with the managers and their colleagues in the staff they employ. In addition to the obligation of confidentiality stipulated in the cooperation agreement, it is important to treat industrial and personal data confidentially and to enhance the company's reputation. Compliance with ethical rules and standards is considered a basic requirement for an organization performing industrial activities, as is compliance with the values and behavioral standards represented by the corporate culture.

Within the framework contract, it was agreed that the HR consultants would help the organization by providing professional support in recruitment and facilitate selection by pre-screening applicants' materials in accordance with expectations. Based on the evaluation of the data, a proposal was made for each applicant, which was a prerequisite for admission to the interview. The service covered the definition of the entire process, the definition and regulation of tasks and their responsibilities, which made the results not only predictable but also measurable. The consideration for the service was defined as a daily fee and a success fee, which the company transferred on a monthly basis according to the results achieved.

In the coming time, the examined company will be forced to use external resources for specific tasks due to the replacement of the shortage of professionals resulting from the downsizing that occurred after its economic situation. Human processes need to be reconsidered due to the downsizing of management and qualified HR staff. The remaining organization and its members which must be able to perform daily tasks and maintain operations. This will require a team of HR consultants who are able to create an innovative, digitized system that requires minimal resources. All of this is done in such a way that they comply with the legal environment and are able to guarantee compliance in qualifying audits. The development of the management layer, the digitization of the performance evaluation system, the creation of an online educational platform, are all needs that can only and exclusively be met in the organization with external consultants.

According to the manager's opinion, the main reason for using external expert help is that the organizations cannot, or only partially, follow the changes in the labor market. The reason for this is the narrowing of the field of vision caused by microenvironment, the use of the resulting customary principles, traditions and schemes, which, in most cases, are not able to achieve the desired results. An external expert eye, who evaluates the company's processes and operations based on experience gained in countless organizations, can effectively uncover the roots of a problem in most cases. After identifying the pain points, they can create a strategic plan for the

solution, knowing the solutions that work most successfully in several companies. A good consulting team specializes in a specific task, and they try to acquire as much knowledge as possible on the given topic, which a person performing a wide range of tasks and working in an organization cannot compete with. External service providers can give an objective value judgment based on facts and data, impartially. This can bring a perspective to the life of the organization that a person socialized in the given system is not always capable of. The competitiveness of companies can be defined by the fact that they detect problems in time and can react to them efficiently and relatively quickly.

9.1.2 HR CONSULTANCY IN IT FIELD (SZANDRA SÁNDOR, CSILLA JUDIT SUHAJDA)

The company investigated was founded in 2003. It employs 120 people, has a stable business and financial background, and has more than 50 returning corporate clients. They develop and implement applications to support business problems and operate them over the long term. The main profile of the company is strategic and technological consulting, as well as IT development consulting.

The company's workforce consists mainly of IT specialists, whose recruitment involves many challenges, mainly because the demand is extremely high, since IT support is needed in almost every industry and company, but the supply is small, so the market for good specialists is very competitive. The IT field is constantly evolving and changing: the best professionals are often those who can update their knowledge and are up to date with new technologies. Therefore, it is difficult to find and retain professionals who can keep up with changing trends and technologies. For the reasons listed, the company has for many years preferred the involvement and consulting of recruitment companies in order to help them respond to rapidly changing needs and not only acquire but also retain employees.

It was precisely for this reason that years ago the company's IT recruitment manager approached companies experienced in human resource consulting, because he knew that this could be a long-term solution to reducing turnover. Currently, they have been working together with a consulting company for 4 years.

When selecting the consulting company, they looked at several aspects, based on which they made the decision about who they wanted to work with. In the first round, the opinions of HR specialists of companies whose profile is similar to their own were sought, so they could provide relevant information about how proactively working with the company works. The final decision between the consulting companies was made by the fact that one of the colleagues

working in the HR department had worked with the consultants at his previous workplace, and they decided based on previous good experiences. Of course, it also matters a lot if a company has a good market reputation and you can read good reviews about them, and if they have statistics that create a positive impression. However, the price of the service was not classified as a decisive factor, and this was explained by the fact that those consulting companies that can work with many databases and with large sums of money are likely to quote a higher price, since for them there are also more items that have to be paid. It also did not include the complexity of the service. Behind the decision is the position that only one type of service is interesting for the company - intellectual labor brokerage - and accordingly, a company that is present and active in several areas does not provide more added value for them. The management of the company deals with the conclusion of contracts under stricter conditions, and accordingly they do not give preference to companies with flexible conditions. They strictly insist on continuous meetings about the recruitment process and status, as well as free replacements after termination within the trial period. However, it is highly appreciated if the consulting company understands the organizational problem well or has possibly already encountered a similar problem in the market and is familiar with the difficulties arising in the IT field. The size of the consulting firm did not particularly influence the company in making the decision, nor did the appearance on social media. According to them, you should not base everything on your appearance on social networking sites, since everyone there only tries to show their best results, successes and professionalism, which in many cases does not cover the reality. However, it is important that they keep up with the latest trends and be up to date in this area as well, because if their candidates or potential clients want to look for them, it is important to make a good impression.

The average annual expenditure for the company dealing with human resource consulting fell between 1000 and 4990 euros. The company stated that they had an overall positive experience with the consulting companies, which is why it is likely that they will continue to use consulting services in the future.

9.1.3 CASE OF MANUFACTURING INDUSTRY (DOROTTYA SIMON, CSILLA JUDIT SUHAJDA)

The examined company operates as a family-type enterprise (SME) in the Hungarian county of Nógrád and is privately owned in Hungary. The number of employees is 45. From the beginning, i.e., since 1992, it has been engaged in the production of wood and iron products and components (e.g. basic structure of furniture, outdoor elements used on construction sites). Examining the broader environment of the mentioned organization, it can be established that it is

located in one of the most backward counties in Hungary, which can presumably present many challenges to the management. Based on what they said, they consider it extremely important to carry out improvements, but the uncertainty of the past years pushed back/delayed it. The vast majority of the workforce are blue-collar workers, the management department consists of 5-6 people.

As mentioned above, in this case we are talking about a family-type business, so the members of the management and certain actors of the blue-collar workers are typically related to each other. In terms of generations, it can be said that some of the people working at the organization belong to the baby boomer generation, but the overwhelming majority are represented by generations X and Y.

The management considers it important to occasionally request the help of an external consultant in certain areas of expertise. The service was used in several areas, and in some cases the cooperation became regular. In the period 2020-2023, they spent between €10,000 and €99,999 on consulting services.

Over the past years, consulting services have been used in the following areas: finance and risk management; training and education; preparation of EU tenders; production operation, business processes and strategy.

The company's senior management considers the role of the consultant to be the most important in the field of finance, since financial decisions indirectly affect the operation and maintenance of the entire organization, thus its daily life. The management mainly requests the help of a financial consultant in the following areas: risk management, investments, cost management.

For the preparation of EU tenders, they also consider the help of a consultant essential, who gives them educational advice. As they said, they try to take advantage of every opportunity in order to stay competitive in the market. They choose the tender consultancy service in the hope of the tender being successful. In connection with some tenders, it may also arise that it is mandatory to hire a consultant. Of course, the organization must meet this criterion. So, already at the time of submitting the application, they expect that consulting services will be requested. The organization must enable the efficient use of new tools in production. This area is also important for maintaining competitiveness. Also, it helps production managers to create smooth working and division of labor. In connection with the development of the existing machine park, it is also considered necessary to train the human resources that operate it. The introduction of innovation requires appropriate knowledge, which can be obtained through appropriate training. A consultant's guideline is used to select this.

According to the management's experience, consultants are able to provide assistance through their special knowledge. However, it is not always easy to find the right person/company with whom they can easily cooperate. In all cases, the decision must be supported and weighed with pro-con arguments. Meanwhile, the personality of the specific consultant is of prime importance. In this case, it is very important to take into account the human factors, with whom the company management can work within a given topic. Of course, at this point, the consultant's actual expertise should also be mentioned. It is extremely important that the consultant is familiar with this industry. See what challenges a manufacturing company faces in this region of Hungary. Be aware of the development process of the SME, see to some extent its structure and recent changes. Last but not least, the consultant's personality is also a decisive factor in who the management works with. There needs to be a certain level of sympathy in addition to the advisor's special expertise. It is essential that there is harmony and trust between the consultant and the management.

The decision to use the help of a consultant is largely motivated by the fact that the managers of the organization want to reduce the uncertainty generated by the changing environment. According to their opinion, the external specialist can provide the organization with new information, only the extent of this is uncertain. It creates value for the organization, but in some cases with varying degrees of success. Occasionally, the consultant also supports the achievement of organizational goals with training. The effectiveness of the consulting service used is considered difficult to measure, no quantified statement was made. Therefore, it is difficult to estimate it.

The company does not buy missing specialist capacity from consultants. In the case of the analyzed domestic SME, the recommendation by an acquaintance is an important criterion when choosing a consultant. People like to learn from the experiences of acquaintances, listen to their beliefs and consider them based on them. The previous working relationship with a consulting company can also be important, but if they feel a negative experience, they will easily move on and look for another alternative. The recognition and good reputation of the consulting company is also authoritative for the management of the organization under investigation. The fee for the service is moderately important, quality service is gladly paid. The same can be said about the complexity of services. The most important thing is the possibility of concluding a flexible contract and concrete solution proposals. The size of the consulting company and its presence on social media are not important for the organization at all, according to the management, the specific facts are important.

The organization typically enters into project-based agreements with consulting firms. This is more favorable for them and the course of the process can be followed better. The highlighted

parts of the project are emphasized during the process, so the management can devote more attention to the most important tasks. Of course, this type of agreement also has the advantage that it is more favorable than, for example, the one based on a daily fee, which, given the size of the company, would represent a rather burdensome cost. Sometimes the agreement is tied to milestones. Which type is considered beneficial by the management depends on the severity of the problem.

Future goals therefore include seeking the help of a professional consultant if they feel it is necessary. The primarily designated areas are the following: digitization; robotization, automation and recovery from crisis situations.

9.1.4 FOOD INDUSTRY EXPERIENCES (CSENGE SZILÁGYI, CSILLA JUDIT SUHAJDA)

The organization investigated was founded in 1989 in Szarvas, Békés county, and now operates as a group of companies in the food industry. It has its own hatchery, pre-breeding and fattening plants, abattoir, production units, warehouses, vehicle fleet and service, and employs nearly 1,500 people at its headquarters and locations.

The organization continuously uses external consulting services in some areas, the amount spent on this can be determined between HUF 3.81 million and HUF 38 million annually. When choosing a consultant, the most important criteria for the organization include the complexity of the services offered by the consultant, a better understanding of the organization's problem, a specific solution proposal, a recommendation from a friend, the recognition/reputation of the service provider, and the price of the service. The management considers the size of the consulting firm to be only slightly important, but the presence of the consultant is not at all an influential criterion in terms of the competence and credibility shown on the social network.

In the period 2020-2023, consultants were employed in the fields of strategic consulting, change management/organization development, education, training, coaching, leadership development and coaching, and interim management will be coordinated by the organization. However, an interim specialist was also present earlier.

In relation to the evaluation of consultants, the management considers it rather true that the professionals providing consulting are able to help the work of companies/organizations through their special knowledge, and although there are many consulting companies on the domestic market, it is not easy to find the right consultant. They believe that the external specialist creates value for the organization, in many cases the consultant also supports the achievement of

organizational goals with training, and at the same time, the professional consulting we used brought quantifiable results for the organization.

According to the management's opinion, external consultants bring new, fresh knowledge and approaches to the organization, and often the service provided by the consultant far exceeds the price of such a service. The consultant carries out value-creating work, which is also clearly visible in terms of results. It is beneficial even if the cost implications are significant. In addition, it is important that the specialist comes from an external environment. It may happen that the members of the organization are no longer able to independently find the root of the problem, their horizons have narrowed and any solution they consider possible does not lead to results. The external consultant, using his special knowledge, methods and the experiences of his previous clients, can shed light on an approach that until then had completely escaped the thinking of the members of the organization.

Basically, the organizational experience with external consultants shows a mixed picture. “The inappropriate selection and functioning of the interim consultant also caused damage to the organization, primarily in terms of human and co-worker relations, which is why we only worked with him for almost half a year. His professional insights were initially acceptable, but later they did not prove to be thorough and adapted to local characteristics, which proved his lack of preparation. Typically, an interim is not meant for long-term cooperation, so it placed little emphasis on human relations, which was mainly harmful to the organization (technical and related areas). On the other hand, an organization development specialist with up-to-date knowledge of international trends and methods, and experience gained in several organizations, with whom we work regularly, can be an excellent consultant to the organization and the management, who can thereby manage everyday life according to the principles of efficient operation, become more prepared, and therefore also more complete as an individual. they can divorce” (CR, 2024).

The company's management considers it likely that the organization will continue to use the help in the next 12-24 months, primarily in the fields of robotization and automation, artificial intelligence, and maintaining/increasing competitiveness.

9.1.5 CONSULTANCY IN A GROWING ORGANISATION (ANETT VIRÁG, CSILLA JUDIT SUHAJDA)

The company, which started as a family business in 1999, now employs 1,800 people and is currently one of the largest and most dynamically growing food supplement manufacturers and distributors in Europe. The majority owner of the organization is a domestic private investor, and

its fields of activity include industry, retail and wholesale trade, and export, of which export accounts for a significant part.

The company employs external consultants in many areas such as marketing and sales, personnel management (HR), education, training and training, management development and coaching, as well as digitization - data analysis and trend research.

In the field of marketing, separate departments were set up for the leading brands. Our operating model is designed in such a way that the brand and country managers manage the marketing processes. They are responsible for putting together the entire concept while external agencies carry out the implementation of the ideas. This approach allows the internal team to focus on strategic management while the agencies execute marketing plans efficiently and professionally.

In the field of human resources management, great emphasis is placed on the use of headhunting through which the best specialists are acquired and employed. They currently work with two HR service providers, who help them successfully fill critical positions (e.g., e-commerce manager, PPC manager, marketing automation manager, HR manager, senior product developer). With the help of headhunting, they ensure that the organization consists of employees who have the appropriate experience, skills and expertise to perform the assigned tasks efficiently and effectively.

Thanks to the organizational transformation carried out in the HR department, the organizational structure was scrutinized, and as a result of the analysis, they came to the conclusion that they should pay special attention to the development and training of managers. To this end, they started cooperating with a consulting company, with whose help they created the TOP management training plan. During the organizational discoveries we conducted an employee satisfaction survey, an organizational due diligence and a 360° survey were carried out. Based on the information obtained in this way, individual development plans were created, and evaluation, feedback and next steps were planned. Online or in-person workshops and training are held within the Academy, providing an opportunity for blended learning. In addition, they carry out individual or team development activities such as individual coaching and shadowing, as well as team profiling and team coaching.

In 2022, the company founded the Data Analysis and Data Visualization Department with the aim of managing the enormous amount of unstructured information and data that had not previously been properly processed at the company. Today, the department has become the task of analyzing these data and preparing various reports for the management and senior managers. In this area, they also work closely with external consulting companies who help with data processing.

In order to find the most suitable external consulting company, various aspects are taken into account. First, pricing is of utmost importance, and advisors' references are scrutinized to ensure their past success and reliability. They also look for flexibility and adaptability in consultants so that they can effectively collaborate in the company culture and adapt to their needs. Of course, they also expect expertise and extensive experience in the given field, as this is essential in order to provide effective advice and solutions. Personal relationships and chemistry, communication skills, and reliability and integrity are also essential considerations when choosing a consultant. They consider it important that they work well together and that a mutually positive working relationship develops.

First, detailed discussions are held with the consulting companies about needs, what the purpose of the given organizational unit is, why we want to ask for the help of the consulting company. After that, they listen to the proposals of the consulting companies and, if they are suitable for them, they discuss the specific strategy. After that, they usually work together to analyze and interpret the data, as well as to prepare statements and reports. They are often turned to for consultation and expert advice in data analysis methodologies and tools. In addition, they receive regular information and feedback on the effectiveness of the support they provide, and the results achieved. In the course of our cooperation, mutual learning and the exchange of experience are considered important, so that the expertise and knowledge of the organization and the consulting companies can be continuously expanded in the field of data analysis.

External consulting companies are employed to bring new perspectives and expertise to their work processes, thereby increasing the efficiency and effectiveness of work. Such partnerships provide an opportunity to benefit from the experience and new approaches of other organizations, and to learn new methods and technologies that can help improve their own working methods and practices. In this way, the involvement of external consultants contributes to the continuous development of company work and the introduction of fresh, innovative thinking into the organization.

From a small family business to a large company with 1,800 employees, the organization was full of many challenges and development opportunities. As the company continues to grow and develop, there is an increasing need to use outside expertise to address new challenges and opportunities. One of the main reasons for using consulting companies is to transform and optimize processes. As a company grows in size, it becomes increasingly important that internal processes are efficient and well-functioning. With the help of consultants, these processes can be assessed and improved in order to make company operations more efficient. In addition, as the team grows and develops, it is important that the employees are also well-educated and have advanced professional skills. That is why they count on the help of consultants in the field of

training and development. They can help to develop modern and effective training programs, which can help employees be even more efficient and productive during their daily work. In addition, engaging consultants gives them access to the latest industry trends and best practices. This helps them stay competitive in the market and meet consumer needs and expectations.

According to the management, the use of consulting companies provides them with many advantages, helping the company to operate more efficiently, develop and remain competitive in the dynamic market environment. Overall, digitization, training and organization development are what the organization is expected to focus on in 2024 and 2025 and for which they plan to engage external consultants.

9.2 ROMANIAN CASES

9.2.1 CONSULTING FOR AN INDUSTRIAL SOLUTIONS COMPANY (SZILÁRD SOMOGYI, KINGA KEREKES)

ELM Co. is a company engaged in the distribution of electrical equipment, materials and electric motors which offers its customers complete solutions (products, related services and technical support). The company was founded in the early 2000s, its main shareholders are Romanian individuals. In recent years, it has grown into one of the most important companies in Romania in the field of industrial solutions and distribution of electrical equipment, automation systems, electrical products, electrical drives and lighting systems.

The stability and work ethic of the employees play a major role in achieving continuous growth and stable profits. The emigration rate of employees is very low, and the company's business policy is based on establishing a healthy work ethic, valuing, retaining, developing and motivating employees, as it believes that if you take care of your employees, they will take care of your clients.

The use of external consulting is highly considered within the company and can only be considered in cases where they are faced with a new challenge that has never been seen before. Since the company has 20 years of experience and provides engineering consulting itself, senior management knows how to handle challenges. Over the years, the company has tried to attract, retain and develop the most talented employees, encouraging the active participation of employees in overcoming internal problems, thereby minimizing the use of external consulting.

The rapid growth of the company, both in terms of sales and number of employees, justified the use of three consulting services in the last two years.

The first consulting service was used during the implementation of a supply chain project. The goal of the project was to relocate the logistics department to a new distribution hall. After

creating a project team consisting of the company's employees, the external consultant was responsible for defining, scheduling and monitoring the project tasks. The consultant provided important information, but at the same time did not fulfill the expectations placed on him for two main reasons. The first reason is the lack of responsibility, the second is the long distance (almost 300 km) between the consultant's residence and the company's headquarters. For this reason, the consulting contract was terminated after barely a third of the tasks undertaken in the contract had been completed, and the remaining tasks were taken over by the employees involved in the project team and successfully completed.

The subject of the second consulting contract is management development and coaching services for middle and senior management, which is provided by a local HR consulting company. Within this, the psychologists of the consulting company monitor the challenges of middle and senior managers, conduct trainings at intervals, and provide coaching services in certain situations. The cooperation with the consulting company proved to be effective and the managers of ELM Co. plan to use the service in the long term.

The third ongoing consulting service is provided by a private HR contractor, whose task is to map the company's human resources system, check and update job positions, reveal gaps in cooperation between departments, and present proposals for solving them.

The company with more than 200 employees must be managed efficiently and sustainably in order to continue to develop. In order to do this, ELM Co. will continue to require external knowledge in the future. It plans to use management development consulting and coaching in the medium and long term, and in order to digitize the processes to the highest possible degree, it will also use external consulting in the field of digitalization in the near future.

When choosing consultants, the top management of the company considers recommendations to be a very important aspect, which suggests that reliability and stability are important. At the same time, the consultant's attitude, confidence and high level of expertise are important to the company.

9.2.2 CONSULTING SERVICES REQUIRED BY A MEAT PROCESSING COMPANY (BEÁTA NÉMETH, KINGA KERÉKES)

Carnex Ltd. is a registered company in Székely Land, which has been active in meat processing for nearly three decades. In addition to the production of hundreds of products, it also carries out storage, delivery and supply. The company has two owners, the number of employees exceeds 400 people. It has its own chain of stores and has many workplaces throughout Transylvania. With its products, the company is present in many counties of Romania, and since

it operates in accordance with EU standards, it can sell its products in any country of the European Union.

The company turns to external consultants relatively rarely, as most problems that would require an external consultant are solved in-house. They also employ a quality inspector, a marketing specialist, and a legal advisor full-time.

Carnex Ltd. used consulting services in three areas: marketing and sales, ICT technology, education and training. The introduction of ICT technology was considered necessary in order to optimize the processes of information exchange, as the transparency and record of stocks is important, and this technology makes communication between departments more efficient and simpler. In the field of marketing and sales, the services of an external consultant were used in order for the company to increase its presence on social media platforms. Education and training are a significant part of the company's everyday life, as they strive for continuous training of the workforce, both professionally and personally. They constantly work with instructors who provide different training courses for employees, such as seven-year training for team leaders on the topic of efficient and effective team management, or communication and time management training for all employees of the company, which contributes to smoother information sharing and work.

The company's manager has had good experience working with external consultants and is satisfied with the services they provide. The specialized knowledge possessed by the consultants helps the company's work, creates value, supports the company's goals, replaces the missing specialists within the company, and the services used so far have brought quantifiable results for the company. According to him, it is easy to find a good management consultant on the Romanian market because there are many well-educated and suitable professionals in Romania.

When choosing an external consultant, the main goal of the managers is to find an external consultant or consulting company that offers a suitable solution for the company and is able to solve the existing problem flexibly and with sufficient expertise. The following aspects are taken into account: previous working relationships with the consultant, the complexity of the services offered by the consultant, the possibility of a flexible contract type, a better understanding of the company's problem, and the concrete solution proposal. In addition to these, recommendations by a friend, recognition and good reputation, and to a lesser extent the price of the service is also important for them. So, the company prioritizes quality and not price, because they believe that a good professional is priceless.

The company's manager believes that external consultants are regularly needed in order to maintain competitiveness in the long term and to bring new knowledge and approaches to

the organization. In the future, the company plans to use external consulting services in order to use artificial intelligence to optimize processes and to maintain and increase competitiveness.

9.2.3 INCREASING THE COMPETITIVENES OF A FAMILY BUSINESS THROUGH CONSULTING (TÍMEA-MÁRIA GÁL, KINGA KEREKES)

The Family Bakery operates in a village in Hargita County. The business started six years ago, and their main products are homemade bread and rye bread, which they sell to both individuals and businesses. It employs relatively few (six) employees, most of whom are family members and close acquaintances of the owner. The bakery is constantly developing, it has made investments to increase capacity and has a relatively large customer network. Most of the sales are made by home delivery, the driver delivers the fresh warm bread to all customers from Monday to Saturday. The bread is also delivered to shops, where consumers get it at a higher price. During the pricing of the products, the company manager considered it important to set prices for his products that are accessible and affordable for the villagers as well.

In the period 2022-2023, the company used consulting services in order to increase its competitiveness.

In order to develop the marketing strategy, the owner turned to a marketing consultant in the fall of 2022. He had a long conversation with a local marketer who understood the company's problems and helped find solutions. Following the consultant's suggestions, banners were purchased and placed at the two entrances to the village. They also changed their logo and the inscriptions on the packaging of the breads, which became much more transparent and attention-grabbing. At the same time, they participated in several exhibitions and fairs in the surrounding villages, where they presented their products and had the opportunity to taste them. A bakery visit was also organized on a Sunday, when anyone could visit the bakery, taste the breads and see the plant. Cooperation with the marketing consultant proved to be very useful, as the number of private individuals ordering and the number of partner stores distributing the products increased by the end of last year.

The baker and baker's assistants took part in three trainings where they learned more efficient work methods and new recipes. In order to improve communication within the company and for smooth work, all members of the team participated in a training session on communication development and time management, which was deemed useful by both the owner and the employees.

The bakery regards its accountant as one of its external consultants, who supervises the company's work on a monthly basis from the very beginning, records its costs and revenues, prepares various statements, thereby helping the company's operation.

When choosing consultants, the company manager considered it important to partner with consultants who are reliable, do their work well, are experienced, can provide good advice and ideas, and are also good value for money. The selection of the marketing consultant was primarily based on a recommendation from an acquaintance, but the owner took several other aspects into account before making the final decision. During the selection of the consultant managing education, training and training, the following aspects were taken into account: 1. recognition, good reputation; 2. service fee; 3. the complexity and applicability of the services offered by the consultant to the company; 4. the possibility of flexible contracts. The accountant was also recommended to the manager by an acquaintance.

The head of the company has a positive opinion of the consultants with whom he worked, he is satisfied with their work and would also like to ask for their help in the future in solving everyday problems as well as in the implementation of larger investments.

New investments are planned next year (acquisition of a larger capacity electric furnace, a vehicle and various equipment). To this end, the manager of the company wants to use financial consulting, who is reliable, does his job well, is accurate, precise, has specific suggestions and works at an acceptable price for the price-value ratio.

9.2.4 MARKETING CONSULTANCY ON THE ONLINE SALE OF ELECTRONIC DEVICES (TAMÁS GÁL, KINGA KEREKES)

Meganode Ltd. is a company operating in a city in Szeklerland, which deals with the resale of electronic devices. The company was registered in 2014, it is owned by a Romanian private individual, and the company also has three employees. The annual revenue is 400-500 thousand euros.

In the beginning, the company focused on the sale of mobile phones, it also sold laptops, tablets, and GPS devices. Currently, in addition to the aforementioned goods, it also distributes external speakers, cases, and other accessories, both in retail and wholesale. Potential buyers are encouraged to switch from their old devices to newer ones by including used phones in the price of new phones. Due to the COVID-19 pandemic, the owner was forced to rethink the company, so in addition to the traditional business, he developed the already existing webshop and focused on increasing sales in the online space. Thanks to the manager's good insights and excellent

situational awareness, the company was able to break into the wider Romanian market on the compari.ro price comparison site and increase its sales and revenue beyond expectations.

For several years, the company has been cooperating with an external consultant specializing in marketing and sales, who greatly contributed to the company's development and expansion. The company manager alone would not have been able to create a webshop of this caliber.

According to the company manager, there is a need for an external consultant, especially in the field of marketing, who can assess, analyze and apply the constantly changing online environment, customer needs, preferences and consumer habits. The consulting services used by the company brought clearly quantifiable results as they generated much higher sales revenue compared to previous years. Before that, they were barely present in the online space and thus deprived themselves of many opportunities. In addition, they also buy missing professional capacity since the given marketing and webshop developer position does not need to be filled by someone else. The only drawback is that cooperation is sometimes difficult, and slippages can occur if the consultant has to fulfill other assignments in the meantime.

When choosing a consultant, the recommendation from an acquaintance was not at all important for the company manager, but rather previous references, good reputation and recognition. The Hungarian-speaking business manager used the help of a Hungarian consultant, as he could not find a professionally suitable Hungarian-speaking consultant on the Romanian market due to language barriers. The price of the service was a neutral factor, as the company manager was willing to pay an even higher amount in order to have the webshop and social media interfaces working in good quality as soon as possible.

The complexity of the service offered by the consultant is another important factor that played a big role in the selection, since creating a proper website is extremely complicated and involves a lot of work. It was also important to have a flexible contract, as the company manager was not aware of the price of building a webshop, so he left the hourly wage to the consultant. The consultant correctly identified the company's problems, proposed concrete solutions, and participated in their implementation.

Since the consultant brings knowledge and experience to the company that he might not otherwise have, the company manager plans to use external consulting in the near future as well. In the long term, however, it wants to hire specialists who, after proper training, can replace the work of the external consultant.

Due to the rise of digitalization and artificial intelligence, the company would definitely increase the use of consultants in the coming years. This is understandable, as companies can save a lot of energy and resources with websites that are based on artificial intelligence, generate

images, and have a chat function. In order to rethink work processes and operating costs, it is essential to involve an external consultant, who with his expertise and experience can shed light on extremely important problems and offer solutions.

9.2.5 THE STRATEGIC ROLE OF CONSULTING IN AN AGRICULTURAL COMPANY (KENDE-FERENC PÁSZTOR, KINGA KEREKES)

KELMAG Ltd. is an integrated agricultural service company founded in the early 2000s, its headquarters are located in a large city in Transylvania. Among its objectives are the introduction of sustainable farming practices and the expansion of activities in the direction of processing agricultural products, which is why, in addition to technological developments, it also places great emphasis on employee training. Over the past two decades, the company has developed dynamically, it currently employs more than 200 employees and its annual sales exceed 150 million euros.

The company often uses external consulting services in the following areas: strategic consulting, finance and risk management, HR management consulting, education and training, leadership development and coaching, and applying for EU grants.

In the past three years, the company has placed a particular emphasis on strategic consulting, through which it successfully adapted to market changes, and was able to optimize its business processes and increase their efficiency. HR consulting was also key, as selecting and developing the right workforce is fundamental to the company's long-term success. With the help of financial and risk management consulting, the company developed more effective financial strategies, and risk management solutions helped identify and manage financial risks, increasing financial stability and creating the conditions for long-term growth.

When choosing consultants, the most important aspects include recommendation by an acquaintance, previous work relationship, recognition and good reputation, as well as a concrete solution proposal. These criteria reflect the company's emphasis on reliability, quality and the content of the service package. The company employs consultants who have a deep understanding of its specific needs and goals and are able to provide effective, customized solutions. Authenticity and trustworthiness are often checked on social networks, as well. The price of the service is only a secondary or tertiary issue.

The company's management regularly holds meetings and workshops with the consultants, where they work together on the implementation of strategic goals and the development of operational processes. During the cooperation, the consultants also support the achievement of

organizational goals with education and training, the results of which can be quantified and create value for the company.

In the future, the company is expected to use external consulting services in the following areas: digitization, robotization and automation, application of artificial intelligence, and compliance with ESG (Environment, Social, Governance) requirements. Through digitalization, the company will be able to make production processes more efficient, improve data management and increase productivity. Robotization and automation can also bring about significant changes in agricultural work processes, enabling precision farming and reducing the need for labor. The application of artificial intelligence opens up new possibilities in the prediction of yields and prices, monitoring of soil and plant health, and optimization of logistics processes. These innovations make it possible to increase competitiveness and strengthen the market position. Taking ESG aspects into account, the company tries to minimize its environmental impact, improve its social responsibility activities and ensure good governance practices.

The management of KELMAG Ltd. is aware that the involvement of external consultants is a long-term profitable investment that contributes to the company's growth and development. The careful consideration of the selection of consultants and the system of cooperation provides the company with the necessary support in the rapidly changing business environment.

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Olympic National Forest, Washington State, USA, photo by Eric Sanders.

10 AREAS OVERLAPPING WITH MANAGEMENT CONSULTING (ERIKA VARGA)

10.1 AGRICULTURAL CONSULTANCY (JÓZSEF KOZÁRI)

*'Smart advice is not to grow
mushroom where it was not sown.'*
(JÓKAI MÓR)

Agricultural consulting developed its institutionalized systems in the 1800s, because it was believed that the most effective way of spreading modern methods to increase food production was in this form of knowledge transfer.

The seeds of agricultural consultancy in Hungary were already formed in the Middle Ages. We can be proud of the fact that our country was among the first, not only in Europe but also worldwide in the organization of agricultural vocational education and related consultancy. (Kozári, 2000).

The importance of expert advice has increased in recent decades, as the development of mechanization, digitalization, the challenges of climate change, the prominence of food safety and environmental protection, as well as the effects of globalization have necessitated the acquisition of new knowledge among producers. Currently, agricultural advisory systems and networks operate in almost all countries of the world (Kozári & Tóth, 2010 and 2016).

Agricultural consultancy – sometimes called ‘rural advisory service’ also named ‘extension’ - is a service that uses effective communication methods to help entrepreneurs acquire the latest knowledge they can adapt. (Kozári, 1993).

10.1.1 OBJECTIVES OF AGRICULTURAL CONSULTANCY

The aim of agricultural consultancy is to support farmers in increasing productivity, sustainability and market competitiveness.

Increasing productivity

Increasing the efficiency of agricultural production is one of the basic goals of consulting. Consultants help farmers to apply modern technologies and scientific results, thus increasing yields and reducing costs (Nagy, 2008).

Ensuring sustainability

The transition to sustainable agriculture is becoming more and more important, especially considering environmental aspects. The purpose of the consultancy is to introduce methods that minimize environmental impacts and preserve natural resources (Farkas, 2015).

Improving market competitiveness

In order to strengthen the farmers' market position, the consultants analyze market trends and support farmers in entering new markets. In order to increase competitiveness, it is important to take advantage of local and international support opportunities (Kovács, 2020).

Fostering innovation

The role of consultants is also prominent in the dissemination of innovations, such as precision agricultural technologies and digital tools, which can increase the efficiency of farming.

10.1.2 AGRICULTURAL CONSULTANT/ ADVISOR

Under ideal circumstances, a consultant is a teacher, organizer, leader and innovator in one person. It introduces farmers to new research results and technologies, as well as the adaptation of technology to local conditions and conditions. Its goal is to help farmers from learning through the application process to the point where they are able to decide on the value of the proposed procedures with sufficient knowledge, practice and possibly a changed attitude.

10.1.3 AGRICULTURAL ADVISORY SYSTEM

The applicable version of the specialist agricultural consulting systems depends primarily on the type and extent of the farmers' activities and the level of expertise they have. In addition, general management goals, the available natural, economic and human resources, as well as the evolution of education and research policy, play an important role. The (national or community) support system and the provision of various discounts can also be important. The mentioned factors have an impact on the entire system of professional advice, and different types of professional advice and different methods are prioritized in each area and country (Kozári, 2000).

In the period when consulting networks were established, building from the top was usually the norm. In this case, in most cases, the state initiated the development of the specialist advisory system. However, the professionally and politically strengthened farmers and their organizations have already taken control in several countries and created their own specialist advisory systems on the initiative of the grassroots. The situation can be further complicated by the fact that they may follow different strategies in some sectors of agriculture. This mostly depends on which

activities the given government gives priority to (e.g., encouraging milk production, increasing fruit exports, etc.).

In international practice, the following main approaches have spread:

- state supported agricultural consultancy,
- expert advice provided by agricultural farmer associations and organizations,
- professional consulting for commercial purposes (professional consulting related to products and the supply of raw materials and equipment),
- private agricultural consultation (Kozári, 1993).

10.1.4 KNOWLEDGE TRANSFER METHODS USED IN AGRICULTURAL ADVISORY PRACTICE

The consultant must select the method of imparting knowledge individually, in accordance with the client's needs, so that the client's existing – in many cases incorrect – traditional attitude towards the subject of consulting is changed, and the help that underpins the decision is optimal. The qualified consultant works with a conscious compilation of communication methods. Unfortunately, no specific recipes can be used in the selection of tools, the goal is to always decide on the method that best suits the client, the program goal, and the time frames, and to effectively associate and combine the available media.

In Table 10.1 we have grouped the most important knowledge transfer methods that can be used in the work of agricultural consultants.

The consultant must select the method of imparting knowledge individually, in accordance with the client's needs, so that the client's existing – in many cases incorrect – traditional attitude towards the subject of counseling is changed, and the help that underpins the decision is optimal. The qualified consultant works with a conscious compilation of communication methods. Unfortunately, no specific recipes can be used in the selection of tools, the goal is to always decide on the method that best suits the client, the program goal, and the time frames, and to effectively associate and combine the available media.

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Table 10.1 Most commonly used knowledge transfer methods in agricultural consulting

Individual methods	Group methods	Methods appearing in print	Mass communication and IT methods
Customer visit Office consultation Telephone consultation Digital consultation	Lecture Course Group work Practical demonstration	Articles Consulting publications Flyers Advertisements Information letters	Local and national radio and television Online platforms

Source: Kozári, 2000

10.1.5 AREAS OF AGRICULTURAL CONSULTANCY

Agricultural consulting covers the areas of expertise that occur in all branches of agriculture.

a) Plant cultivation consultancy

Plant cultivation consulting is one of the most important areas of expertise that helps farmers optimize soil cultivation, crop rotation, plant protection, irrigation and fertilization. Here, the consultants take into account the local climatic and soil conditions and make suggestions for increasing productivity and sustainable management (Zubizarreta et al., 2020).

Examples of consulting areas:

- Preparation of a fertilization plan based on soil tests.
- Development of plant protection strategies to control pests.
- Optimizing irrigation systems to reduce water use (Schaible et al., 2017).

b) Animal husbandry consultancy

Animal husbandry consultancy provides support in the fields of feeding, animal health, breeding programs and environmental regulations. Consultants help farmers to introduce the latest technologies and scientific results, such as the use of genetic technologies or digitized monitoring systems (Wolfert et al., 2017).

Examples of consulting areas:

- Optimizing feeding programs based on the special needs of the species.
- Development of animal health inspections and prevention strategies.
- Development of manure management systems that comply with environmental regulations.

c) Sustainability and environmental protection consulting

Agricultural consultancy plays an important role in promoting sustainability, especially in the areas of soil protection, water use, biodiversity and adaptation to climate change (Zubizarreta et al., 2020). Consultants help farmers implement sustainable farming practices and advise on compliance with environmental regulations.

Examples of consulting areas:

- Introduction of integrated plant protection, which reduces the use of chemicals
- Development of soil erosion control strategies
- Design and implementation of water-saving irrigation systems (Schaible et al., 2017).

d) Economic and financial consulting

Agricultural consultants support farmers from an economic and financial point of view. This includes financial planning for farms, advice on applying for state subsidies, and market analyses that help make production and sales decisions (European Commission, 2018).

Examples of consulting areas:

- Preparation of financial plans and budgets for farms.
- Description of EU agricultural support systems and assistance in application processes.
- Market forecasts and strategic planning in order to increase competitiveness in commodity markets.

e) Innovation and technology consulting

The goal of innovation and technology consulting is to support the introduction of modern technologies in agricultural production. This includes promoting the use of precision farming, drone technology, automation, IoT (Internet of Things) devices and artificial intelligence-based systems (Wolfert et al., 2017).

Examples of consulting areas:

- Introduction of precision farming technologies in the field of crop cultivation and animal husbandry.
- Use of drones and sensors to monitor agricultural areas.
- Installation of automated systems in irrigation and harvesting processes.

f) Legal and regulatory advice

Farmers involved in agriculture must constantly adapt to the changing legal environment, be it environmental regulations, animal welfare rules, or the system of agricultural subsidies. Agricultural consultants provide legal advice to help farmers comply with these requirements and avoid penalties resulting from legal deficiencies (European Commission, 2018).

Examples of consulting areas:

- Environmental protection regulations and monitoring of compliance with them.
- Examining the legal compliance of animal welfare rules and technologies used in the farm.
- Presentation of legislation on agricultural subsidies and assistance with the application process.

10.1.6 FINANCING AGRICULTURAL CONSULTANCY

According to international experience, 0.5-6.0% of the sales revenue of agricultural production is spent on consulting in countries that operate consulting organizations. In countries with developed agriculture, the following potential sources of money are used:

- 1) **State resources can be used in different forms:**
 - a. provision of specialist consultancy services through the Ministries of Agriculture,
 - b. support paid directly from the state budget (to the executor of the specialist consultancy) for specialist consultancy services,
 - c. covering the services from the funds created for this purpose.
- 2) It is best to use **self-financing** for clearly defined services that are obviously profitable for those involved. In this case, the user pays for the service.
- 3) **Private consulting** can be managed by different sources, according to its two main versions.
- 4) The first group includes companies that manufacture machines, tools and raw materials, as well as commercial units that provide expert advice during the sale of their products (A typical example of this is advice on the use of plant protection products). This type of advice is usually free of charge. In some cases, however, the costs associated with consulting are recognized in the prices of the products. The second group includes private advisers and consulting companies that provide advice for a fee in order to make a profit. In this case, the consultant and the farmer enter into a longer-term contract. Both versions are available in several countries.
- 5) The income of professional consultancy financed by **agricultural associations and organizations** can come from several areas. One of the most important items is the state contribution. For a long time, the income from the state budget was the basic condition for the operation of specialist consulting in most countries. The next, very significant source is the membership fee. In most cases, the farmer who pays the membership fee receives a certain basic service, while a fee is charged for other – primarily non-verbal – services.

10.1.7 THE FUTURE AND CHALLENGES OF AGRICULTURAL CONSULTANCY

The future and challenges of agricultural consultancy are closely related to the rapid changes in the natural, economic and political environment affecting agriculture.

a) Digitization and precision farming

Agricultural digitization, especially precision farming, is gaining ground, in which drones, sensors and artificial intelligence-based systems play a key role. These technologies help to optimize production processes and reduce environmental impact (Wolfert et al., 2017). It is a challenge for agricultural consultants to keep up with these technological innovations and to support farmers in their introduction and use.

Challenges:

- Technological training of farmers and advice on the use of digital tools (Wolfert et al., 2017).
- Integrating digital tools into traditional agricultural practices.

b) Sustainability and climate change

Climate change and sustainability raise increasingly important questions in agriculture. Agricultural advisors play a key role in helping farmers implement more sustainable practices, such as soil and water conservation and integrated plant protection (Zubizarreta et al., 2020). They must also prepare farmers to adapt to changing climate conditions.

Challenges:

- Acceptance and application of sustainable production methods (Zubizarreta et al., 2020).
- Management of climate risks in agricultural production.

c) Legislative changes and subsidies

The European Union and other regulatory bodies are constantly modifying agricultural policy and support systems. Agricultural advisers must help farmers navigate these new rules and support options (European Commission, 2018). New environmental regulations, such as greening requirements, play a particularly important role.

Challenges:

- Understanding and applying new legislation and support systems (European Commission, 2018).
- Reducing the administrative burden on farmers.

d) Generation changes and labor shortage

One of the biggest challenges of the agricultural sector is the generational change and the management of labor shortages. Due to the retirement of older farmers and the lack of supply, it is necessary to involve young people in agriculture. The role of agricultural consultancy also lies in making agriculture attractive to younger generations, especially by presenting technological innovations (Andersson et al., 2014).

Challenges:

- Involvement and training of young farmers in the use of modern technologies (Andersson et al., 2014).
- Alleviating labor shortages by introducing new technologies and increasing work efficiency.

e) Market competition and globalization

Agricultural producers are constantly exposed to global market changes characterized by price fluctuations and increased competition. The role of agricultural consultancy here lies in helping farmers to map out new markets and diversify production processes (Schaible et al., 2017).

Challenges:

- Adapting to global market changes (Schaible et al., 2017).
- Increasing the competitiveness of products by improving quality and searching for new markets.

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10.2 CAREER COUNSELLING

(TIBOR BORS BORBÉLY- PECZE, CSILLA JUDIT SUHAJDA)

10.2.1 CAREER COUNSELLING IN MODERN LABOUR MARKETS AND BUSINESS ENVIRONMENT

The world of modern careers is full of transitions. As Hall stated in the 1990s; " *The Career Is Dead—Long Live The Career*" (Hall, 1996). The career – a series of upward moves with steadily increasing income, power, status, and security – has become a relic of the past, the author of the career is dead book said, and his statement was quoted millions of times. In modern societies and organisations, careers and organisational life may be separated.

From the macro perspective, the well-known sociologist Bauman (2000) developed the theory of liquid modernity. *Liquid modernity* is a state of constant change and uncertainty in contemporary society. In liquid modernity, individuals are increasingly responsible for constructing their identities and making choices in a world of endless possibilities. This individualization is accompanied by insecurity and the constant need to adapt to changing circumstances. Contemporary careers are boundaryless (Arthur & Rousseau, 1996) and not connected to organisations and single occupations for a lifetime anymore. Contemporary career that is not confined to a single occupation or organisation but involves movement across traditional boundaries. A *boundaryless career* will involve changing jobs and employment status and may also involve spells outside the conventional labour market, either concentrating on family roles or undertaking a career break (Oxford Dictionary, 2008) The world of professions and careers related to the modern, urban, industrial and service sectors is exposed to rapid and unpredictable change.

Career transitions are however far from being always positive. Career transitions can be *risky* transitions that come along with a loss of income and career prospects or can be a

professional advancement or a career progress towards a better living standard better payment etc. For example, adult employees who face the danger of unemployment, in contrast, tend to see part-time work as a step backward in terms of career development and earnings compared to their previous position (Brzinsky-Fay, 2010). As careers and job changes generally increase in modern economies, we know little about the cost of career changes and their return. The topic is under-researched in the labour economy, while the psychological literature on career counselling is now highly developed. This creates an asymmetric situation where we want to determine the individual, household, corporate and social costs of career changes. Either it is about promoting career mobility tools such as validation or the introduction of the Individual Learning Account (ILA) in some countries or companies.

From employers' perspective, the situation is very similar; there is a high staff turnover rate in many sectors and businesses. The transformations that labour markets are experiencing have also increased the *need for swifter and more efficient job reallocation mechanisms* within and across different firms and sectors (WEF, 2023). All these technological, organisation of work and demographic changes underpin the growing need for conscious career development. At the same time, the need for career counselling for employees and companies is boosted and more appreciated than earlier in history when technology, companies and jobs were more stable and changed more slowly.

10.2.2 CONCEPTUAL FOUNDATIONS

Modern career counselling is rooted in *traditional vocational guidance*. Vocational guidance is a process of assisting the individual to choose an occupation, prepare for it, enter and progress on it. In other words, vocational guidance can be defined as a service which *involves helping individuals to learn about opportunities for education, training and work and facilitating their career planning. It includes vocational orientation and counselling and may be given in schools, training centres, or undertaken in specialised offices or institutions.* (UNESCO-UNEVOC online dictionary). Another United Nations organisation, the International Labour Organization (ILO) defined vocational guidance as an essential element of every vocational training programme already in 1975 (ILO Convention 142). The ILO definition already referred to adults however originally vocational guidance was offered more for children, teenagers and young adults and it was associated with choosing a school and a vocation for a lifetime. Since the late 19th century vocational counselling has traditionally worked from an *objective perspective of matching a person's traits and interests* with different aspects of a vocation in the hope of discovering a good match.

Frank Parsons is regarded as the founder of the vocational guidance movement. He developed the talent-matching approach, which was later developed into the Trait and Factor Theory of Occupational Choice. At the centre of Parsons' theory (1909) is the concept of matching. Parsons states that occupational decision-making occurs when people have achieved:

- an accurate understanding of their traits (aptitudes, interests, personal abilities)
- a knowledge of jobs and the labour market
- rational and objective judgement about the relationship between their traits, and the labour market.

Since the early decades of the 20th century, the aim of counselling has not changed much, but its framing, understanding of the dynamism of careers, and the methods of counselling have undergone significant changes. Its detailed presentation goes beyond the scope of this article. Here we only indicate the main conceptual changes.

According to the American Psychological Association (APA) in modern terms instead of vocational guidance, we should name this activity and profession as career counselling; “consultation, advice, or guidance specifically focused on a person’s career opportunities, most often provided in educational, work, and some community settings.” It also may have the specific goal of enabling a person to change the direction of their career. The counselling will take account of an individual’s preferences, intelligence, skill sets, work values, and experience. Such counselling is offered to groups as well as individuals. Also called career guidance or career coaching. (APA Online Dictionary). This human supporting profession now has many names, in England and Scotland also often referred to as *key workers*. Government staff whose roles are essential to support citizens. In this prospect policemen, health care workers and career counsellors are all key workers (Greenburn). Since the turn of the last Millennium career counsellors also labelled themselves as *Life Design Counsellors* (LDC). LDC refers to a kind of counselling that helps clients define their career as a story, narrate their personal working life with continuity and coherence, discover life themes, create life meaning, construct identity, formulate adaptive actions, and pursue the life expected by individuals (Savickas, 2016).

In modern contemporary theories, Savickas proposed that Career Construction Theory (CCT) offers a lens of *self-construction and self-authorship* that enables clients to revise their career micronarratives (the salient story of clients' careers) and vocational micronarratives (the latent stories about vocational experiences) (Savickas', 2011). Savickas modern theoretical approach refers to the humanistic psychological movement, became mainstream from the 1960 psychology and the idea of *self-efficacy* by Albert Bandura. Self-efficacy refers to an individual's belief in his or her capacity to execute behaviours necessary to produce specific performance

attainments (Bandura, 1997). Self-efficacy reflects confidence in the ability to exert control over one's own motivation, behaviour, and social environment.

All these modern career theories are based on the individual being able to plan their careers, seize random torturous opportunities, and develop career awareness. All these factors are paramount in managing the multiple career changes that come into our lives.

Finally referring to all of the sudden, unpredictable and inevitable career changes during a lifespan the definition of career resilience as an ultimate individual-level learning outcome of career counselling was also born. *Career resilience*, by extension, refers to one's ability to adjust and adapt to career changes as they occur. *Developing career resilience means taking charge of your career path and continuously developing new skills to remain in demand*. Professionals can adopt behaviours, attitudes, and processes to help facilitate ongoing growth, despite any setbacks or challenges that may occur (Mishra & McDonald, 2017). Career resilience is important nowadays and closely connected with employability as a transversal skill it is also a building block of organisational resilience and flexibility.

Last but not least, we also have to acknowledge the modern European definition of career counselling and guidance. Since 2004 the European Union has had its definition of career guidance which was designed to serve the needs of lifelong learning and to cover multiple labour market transitions, it is called *lifelong guidance* (LLG). The definition of guidance refers to a continuous process that enables citizens at any age and any point in their lives to identify their capacities, competencies and interests, to make educational, training and occupational decisions and to manage their life paths in learning, work and other settings in which those capacities and competences are learned and/or used. Guidance covers a range of individual and collective activities relating to information-giving, counselling, competence assessment, support, and the teaching of decision-making and career management skills (Council of the European Union, 2008).

In this latest EU definition career counselling goes beyond the scope of being only a supporting human service. It is understood as a supporting career development system and policy as well. This makes the European approach unique at the global level. LLG expected outcome is *career management skills; "range of competencies which provide structured ways for individuals and groups to gather, analyse, synthesise, and organise self, educational and occupational information, as well as the skills to make and implement well-informed decisions and transitions aimed at increasing long-term employability."* (ELGPN Glossary, 2012)

10.2.3 CAREER GUIDANCE OUTSIDE THE ORGANISATION

Vocational/ Career Counselling traditionally was understood as a human service for school kids and students therefore counselling services were placed outside business and work organisations. Even placement services and public or private employment agencies had limited roles to play in this service delivery. Since liquid modernity (Baumann, 2000) and boundaryless careers (Arthur & Rousseau, 1996) are in place people must face multiple career transitions throughout a lifetime. The new social and economic tensions create significantly more need for guidance services and career development supporting structures.

In a classic sense, the career counsellor was approached by the client himself before choosing a school, choosing a profession, and looking for a job. Classical counselling typically took place in the counsellor's office and typically meant one to five non-directive interview sessions of 45-90 minutes each. Interviews were often supported with career questionnaires or even psychological and pedagogical tests.

Within the school system, the basic role of a school counsellor is to support students in their psychological, academic, and social development (Heled & Davidovitch, 2020). In modern technology-savvy societies, *online career counselling* is a form of career development service that uses digital platforms and tools to deliver career information, advice, coaching, assessment, and planning. Online career counselling can be synchronous, meaning that you interact with a career counsellor in real-time via video call, chat, or phone, or asynchronous, meaning that you communicate with a career counsellor via email, text, or online portal. Online career counselling can also be individual or group-based, depending on your needs and preferences. Well-established career intelligence systems are available now online. The best-known system is the U.S.A. federal government-run O*NET¹⁴ Central to the project is the O*NET database, containing hundreds of standardized and occupation-specific descriptors on almost 1,000 occupations covering the entire U.S.A. economy. The database, which is available to the public at no cost, is continually updated from input by a broad range of workers in each occupation.

10.2.4 CAREER GUIDANCE AS AN HRD FUNCTIONALITY

In organizations, career counselling appears as part of career management. Consequently, organizational career management is a novel aspect of human resource management, the purpose of which is to ensure a suitable career (position and career advancement) for the workforce that

¹⁴ <https://www.onetonline.org/>

brings business success, to acquire, retain and develop this workforce. The relationship can also be formulated in such a way that the functions of organizational career counselling are the same as the functions of human resource management, with the qualitative difference that the individual functions undergo a career reorganization. (Koncz, 2013) Career management can be grasped in the process of strategy-planning-implementation-evaluation. The final stage of any planning process is the integration of a two-pronged approach, comparing organizational career needs and individual career needs. Effective organizational career management coordinates organizational requirements with individual needs, so effective work based on employee satisfaction ensures the achievement of the organization's strategic goals. The change in thinking about organizational careers can be illustrated with metaphors (Bokor, 2014). At first, it was mostly characterized by the railway model, which indicated that the employee gets on the train upon joining the organization, thus practically placing the responsibility in the hands of the railway company, i.e. the employer: he progresses along his career path. on a specific track, through stations, according to a specific schedule. Later, the train journey was replaced by the bus journey, the essence of which is that the buses reach the final station on different routes, sometimes on detours, the timetable is less predictable, and transfers are more typical. Much more depends on the local knowledge of the traveler and the worker, and on how well they can adapt and modify the route.

A bigger change was the mountain bike metaphor. The individual sits in the saddle, there are no predetermined destinations or routes, and she/he chooses them freely, as well as her/his speed. You can even stop resting on the way. All this clearly shows that, while at first it was thought that a career means advancement in the organizational hierarchy, the newer perception places more emphasis on personal development and the development of individual abilities. The strengthening of this perception is clearly demonstrated by the research of Randstadt (2024), in which he examined who employees consider responsible for career development, training and further education. Looking at the Hungarian data, 13% of the respondents think that career development should be the responsibility of the employee, while 47% think that it is the responsibility of the employers (RO: 19% and 44%, global: 27% and 37%). The reason behind this may be that the individual wants his organization to support his career aspirations with certain tools and training, and in the absence of these, the individual alone is not sufficient to achieve these goals.

In the modern business environment, employers are more and more often adding career counselling functionalities and services as part of their human resources management and organization development activities. Career counselling services within the organization do support organizational resilience and HR flexibility as well as the upskilling and reskilling needs of the employees.

10.2.5 THE TOOLBOX OF CAREER COUNSELLING AND GUIDANCE

Career Counsellors usually work with individuals but also with groups (career education, group career counselling sessions) and have been using a wide variety of tools such as career questionnaires, board games, visualization, and drawing of career aspirations. The main tool of career counselling however is the targeted non-directive interview this includes the mastery level of using the communication micro-skills. *Non-directive approach* to counselling in which the counsellor establishes an encouraging atmosphere and clarifies the client's ideas rather than directing the process. The counselee leads the way by expressing their feelings, defining their problems, and interpreting their behaviour. It was originally known as nondirective counselling or non-directive therapy, although this term is now used more broadly to denote any approach to psychotherapy in which the therapist establishes an encouraging atmosphere but avoids giving advice, offering interpretations, or engaging in other actions to actively direct the therapeutic process. Also called client-centered psychotherapy; *person-centered* therapy; and Rogerian therapy (Rogers, 1951).

In career counselling, unlike other forms of counselling, the focus is on the social division of labour and the self-determination of the individual, the dynamic connection of the two. This approach makes career counselling unique and differentiates it from other forms of counselling. It is important to note that according to modern career counselling approaches, counsellors are not testing but supporting the counsees to understand better their own career needs and opportunities.

Career counsellors are focused on the following activities during their work:

- 1) **Developing a supportive relationship with the counselee.** As with all forms of counselling, career counselling is most successful when the counsellor forms a meaningful connection with their client. While many career counsellors use career questionnaires the top career counsellors have completed a clinical mental health master's program and use their clinical training to go beyond simple vocational guidance. They work to understand their client's worries, interests, fears and desires on a level that is much deeper than what any test might reveal.
- 2) **Defining goals.** Career counsellors set specific goals with their clients and redirect their clients/ users toward those goals if the conversation drifts too far toward other concerns. That said, career counsellors might ask clients to describe their perfect job, or consider where they would like to be 5 years from now. Career counselling professionals might also focus their clients' attention on what is important to them in life and what they enjoy accomplishing at work. All of these questions can help define a career-seeker's goals.

- 3) **Creating room for self-exploration.** Career counsellors do not just hand their clients the results of vocational tests. They get to know their clients and, most importantly, they give their clients the space to talk through the issues affecting their career and career choices. A good career counselling session can be a gateway to self-discovery, but only if the career counsellor is skilled in helping his or her client open avenues of self-reflection. For the top career counsellors, data like vocational assessments are only the beginning.
- 4) **Understanding the job market.** It does little good to be told you are well suited for a career that is in steep decline. Likewise, there is not much utility in being told you are well suited for a career you lack the skills for. Career counsellors know this and work hard to stay abreast of the issues facing the job market. They pay close attention to the ways automation, outsourcing, downsizing, and global competition affect job opportunities and specific careers. Additionally, they understand the skills and attitudes workers need to succeed in a modern employment environment. Often, counsellors work with their clients to make sure their clients are competent with technology, accepting of diversity, prepared to handle modern job insecurities, and capable of maintaining the level of occupational awareness needed to avoid falling behind or becoming redundant.
- 5) **Helping turn life themes into career goals.** The best career counsellors do not just recommend possible professions. They help their clients uncover a previously unrealized passion for specific careers. To do this, career counsellors take a holistic approach, viewing each client as a whole person and then seeking out life themes that have a natural connection to a career for which the client is qualified. There is little long-term benefit to entering a career that you are good at but dislike. The best approach is to find a career that is in tune with your abilities and your life goals. The top career counsellors can help you do just that.

10.2.6 OUTCOMES

Career counselling has several positive outcomes. These can be social (inclusive), psychological or economic outcomes. By developing better career management skills, individuals' learning outcomes vary from better career resilience skills, and lower levels of career anxiety to access to more competitive occupations and jobs.

Watts (1999) argues that career guidance can act on individual decision-making about participation in learning and labour markets; and that it can reduce the likelihood of individuals dropping out and increase their likelihood.

Positive outcomes of career counselling can be identified at different levels, such as individual, micro-community, organisational, community and social levels. OECD (2024) data

also displays that access to career education and counselling has a connection with skill performances such as the PISA and PIAAC assessments show.

- behavioural changes at the individual level
- openness for up-, and reskilling opportunities at the individual level
- productivity-related outcomes both at individual and organisational levels
- increased flexibility in work organisation at the organisation level

10.2.7 CONCLUSION

In recent years, career counselling has gained an increasing role both in the lives of individuals and in the activities of organizations. Individual responsibility in career management has led to career counselling not only appearing on the market as an external, personal service but becoming an integral and important part of human resource management. The management of the company must also respond to the demands expressed by the employees since based on these, it is possible to ensure the prepared and motivated workforce that is essential for the efficient and effective operation of the organization.

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10.3 COACHING CONSULTING (ZITA NÉMETH)

Coaching has been one of the most dynamically developing business sectors worldwide in recent decades, and it is gaining more and more space, which can be seen from the growth figures, but also from the change in attitude that surrounds the profession. 15-20 years ago, it was even more unpleasant and secretive if someone worked with a coach, and some of the assignments were

more about "correcting" managers, while nowadays it is unpleasant if you have not had a coach yet to a leader.

The growth was much greater than business representatives had expected. The data provided by the ICF shows that there were 109,200 practicing coaches worldwide in 2022, which is a 54% higher increase than what was predicted for this period in 2019. The value of business income from coaching was estimated at \$4.564 billion in 2022, which was 60% higher than the value predicted in 2019, even though we can already talk about a \$2.849 billion business. (ICF Global Study 2020 and 2023)

This growth trend can also be easily followed in the expansion of the areas of use. Coaching initially started out as a form of executive support, as a response to the long-known problem of senior management loneliness in business operations and to the special development needs of senior managers. In Hungary in the 1990s, we were still talking about the psychologist of the Leader in this context (and we were able to learn from Dr. Tamás Perczel in the university psychologist training), but at that time this genre was already known as coaching in the United States. The efficiency-seeking approach, promising rapid results, quickly spread to the management of companies. After the programmes tailored to the middle management layers, the coaching-style management approach (managerial coaching) was developed, then it also found its way into sales support, and life coaching was launched almost at the same time, which made coaching available to individuals as a problem-solving tool. wide use. This growth will continue, as the focus of 2020 at the ICF was the development of team coaching competencies, which indicates that group coaching methodologies are now clearly winning assignments from trainings as well. According to the statistics presented at the Systemic Team Coaching workshop by Peter Hawkins, the proportion of Team coaching orders on the international coaching market jumped from 5% to 22% by 2024.

In addition to its increasing importance, it is interesting to discuss coaching in a work that is basically about counseling, since this is exactly what the methodology tries to avoid. The explanation for this is to be found in the background and development of coaching.

10.3.1 KEY SOURCES AND PARADIGMS OF COACHING

Classically, the literature considers 2 basic methodologies to be the antecedents of coaching (Kelló, 2014).

The Esalen Institute was one of the most important centers of humanistic psychology and multidisciplinary studies in America in the 1970s. It was here that Werner Erhard launched the Erhard Seminars Training, which was a methodology aimed at developing awareness, and it was here that the name coaching was first used.

Another much-cited starting point is Timothy Gallwey's *The Inner Game of Tennis*. He developed the method to improve the performance of athletes. According to his idea, in the matches, the player actually fights not one, but two opponents, in addition to the external one, there is also an internal one, which represents blockages and doubts. His central idea was that the goal of coaching is to develop the individual's potential by improving their performance. (Kelló, 2014: 27) (It is interesting that he is also connected to the Esalen Institute, as he was Werner Erhard's tennis coach).

Coaching is thus apparently considered an achievement of modern times, but it has integrated many more influences, methodologies and tools, which are rarely discussed, even though these antecedents largely define the focus and mode of operation of coaching. The shift towards coaching has been brewing in psychology for much longer than we might assume. It is also due to this that the demarcation of the two areas sometimes runs into serious difficulties even for those who cultivate them.

Let us see what principles and paradigms can be discovered.

We can start right away with the father of psychology, William James (1842-1910), who was not only the founder of the first experimental laboratory, but also a prominent American representative of the philosophical trend of pragmatism. His investigations played a significant role in understanding the purpose of consciousness, and he also did great work in the research of emotions. In his view, the mind evolved for a certain purpose, namely as a weapon in the struggle for adaptation. Another important construct is free will, which helps us discover our own excellence (based on Williams, 2003), and thus encourages us to start planning, organizing and shaping our lives consciously and purposefully. This approach is reflected in the last step of the GROW model in "Will", since the decision and will made there will lead to further change.

Both Jung and Adler contributed a lot to the background of this practice. We draw the principle of creative, free creation from the psychology of Alfred Adler. Adler (1994) viewed individuals as creators and artists of their own lives and often involved clients in the process of goal setting, life planning, and future creation. Like him, Jung (1967) also believed in future orientation. According to him, there is a teleological principle operating in humans and living beings, an absolute pursuit of a goal, which is aimed at development and fulfillment.

Carl Rogers' paradigm-changing work "Client Centered Therapy" dates from the 1950s. Based on his understanding, he raised therapy and counseling to a different quality of connection. This is the forerunner of today's coaching partnership. This is what he himself says about it:

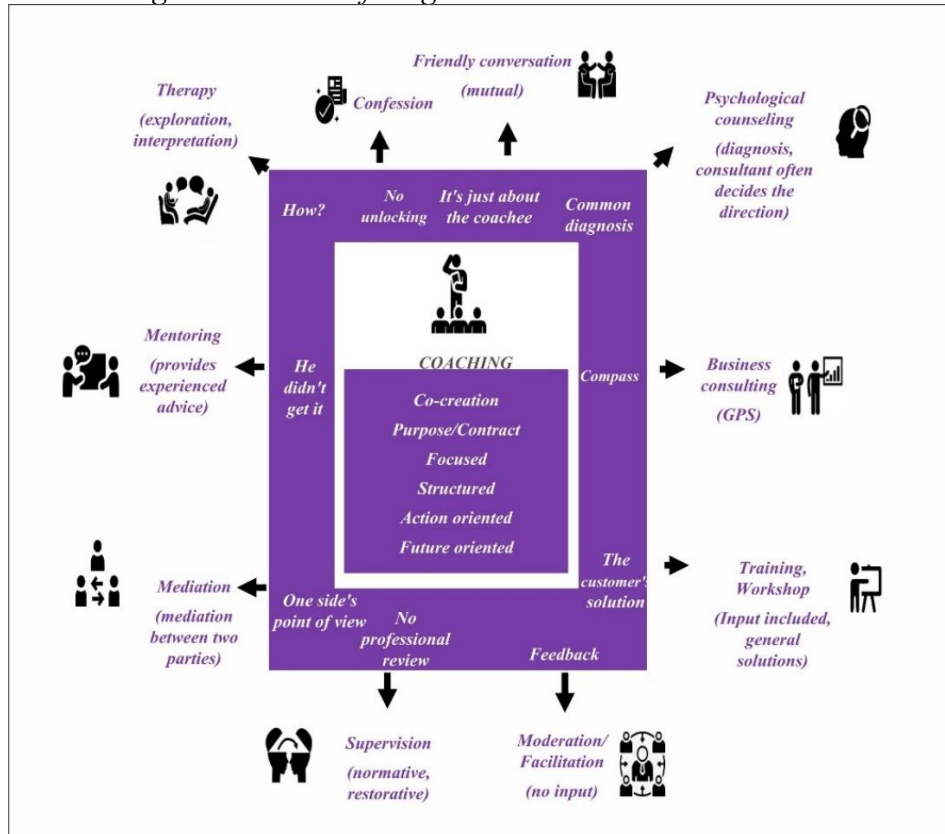
"In short, the changes that took place in me are shown by the fact that in the early years of my career, I typically asked the question: How could I treat, heal, and change this person? Whereas today the question is: How can I create a relationship that this person can use for their own

development?" (Rogers, 2000m p. 64). This shift in perspective is about assuming the ability of the client to change and grow, which induces a more partnership-like relationship in the helping relationship. This also comes with taking responsibility for yourself. Even in this approach, it is as if we are only reading the ICF competence definitions.

Abraham Maslow (1968, 2003), with his much-cited theory of motivation, went beyond previous motivational approaches in that he viewed man as a creature striving for natural wholeness, self-realization and mental health. According to him, humans "have an urge to unify their personality, to spontaneously express themselves, to achieve complete uniqueness and identity, to always see the truth, to be creative, good and many other things. In other words, man is built in such a way that he strives towards an ever more complete being, which is none other than what most people would call good values, calmness, kindness, courage, honesty, love, altruism and goodness" (Maslow, 2003: 345), who, if the obstacles in the way of personal growth and development are removed, will clearly and naturally strive for self-actualization, playfulness, and approach life in a curious and creative way. In other words, the essence of the model is the natural striving that drives us up the steps of the pyramid.

Lastly, the principles of positive psychology formulated by Martin Seligman and Mihály Csíkszentmihályi in 2000.

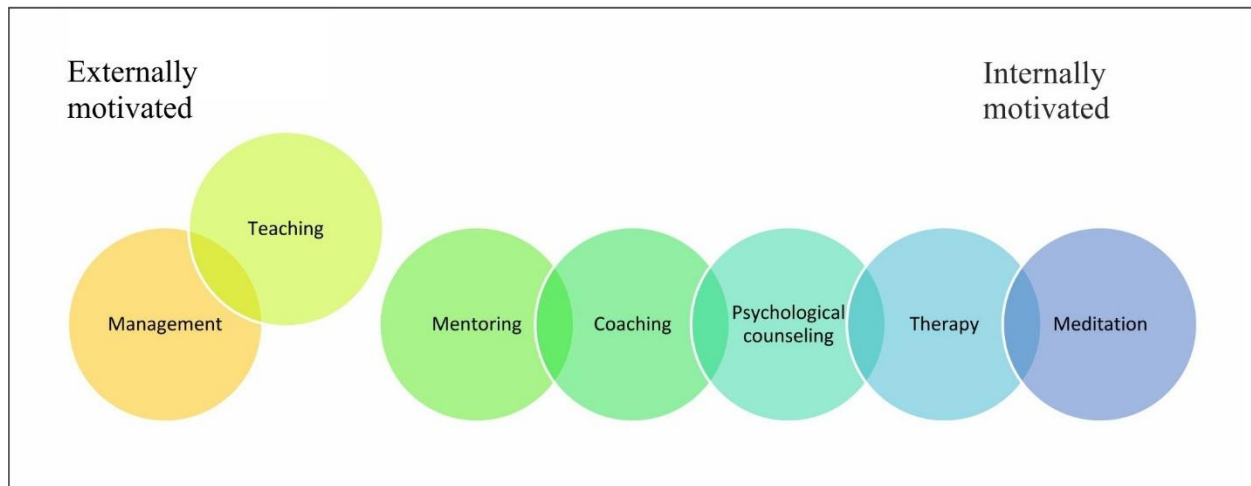
Figure 10.3.1.: Defining characteristics and boundaries



Source: Author's own research

Cope (2007), author of several books on coaching and management, in his work entitled "The Coaching Methodology", suggests that we place and interpret helping interventions along a continuum. The basis of the continuum is the extent to which the changes take place due to external or internal motivation. At the end of Management, we simply tell the person what to change, while at the end of meditation, the person becomes convinced internally that changing that particular factor is essential.

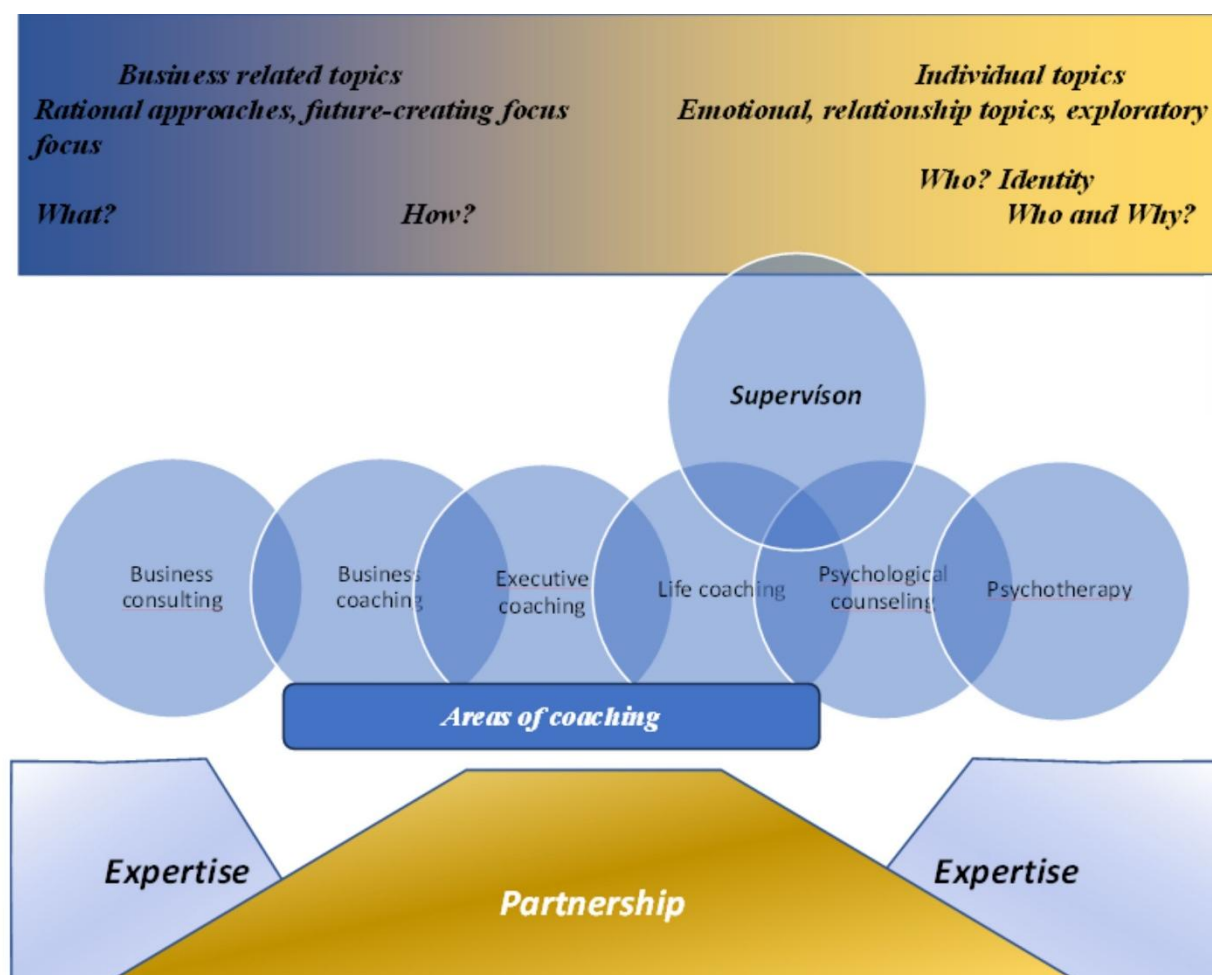
Figure 10.3.2.: Supportive involvements (Source: Cope, 2007, p.10.)



Taking the model as a basis, we can separate the helping occupations along several dimensions, although the areas should actually be seen as a continuum that intersects with each other. The characteristics used for separation are the following, in each case representing a kind of dichotomy: - based on the nature of the topics: from business to personal - the focus of the work, based on the level of processing: from rational to emotional - based on the orientation of the processing: from future and solution orientation to thorough exploration (even going into the past).

According to the focus of the questions: From the WHAT to the HOW to the WHY, based on the quality of the connection, from expert to partnership. As per 10.3.3. it is extremely difficult to differentiate between areas located next to each other, as they overlap in many respects.

Figure 10.3.3.: Continuum of supporting occupations



Source: Authors' own research

Table 10.3.1. Summary of the differences between the helping professions

	Business consulting	Business coaching	Managerial coaching	Life coaching	Psychological counseling	Psychotherapy
Nature of topic	Its spectrum is entirely business	Business topics with some skill development	Development of business-related personal skills	Development of personal effectiveness	Distress and blockages in personal matters	Ineffective coping methods in personal life
Level of processing (cognitive-emotional)	Communication of cognitive information	Cognitive topics, cognitive understanding of human factors,	The same level of understanding and feeling,	Understanding feelings,	Awareness and interpretation of feelings,	Relearning and interpreting emotional reactions
Processing orientation	Future and solution focus	Exploration of the present state, solution-focused future creation	Present state, exploring some of the habits leading to it, finding a solution	Exploring the present, understanding the path leading to it to the extent necessary, searching for solutions	Exploring the present, understanding the path leading to it to the extent necessary, searching for solutions	Exploring the path to the present even by analyzing and interpreting the past, new interpretations
The focus of the questions	Providing information about the WHAT, the problem, and the HOW of the solution in the form of advice	Discovery of common information, better understanding of WHAT and joint development of HOWs	The starting point of questions is the WHAT and then the HOW	Questions on HOW and identity on WHO	Questions about HOW and WHY	Questions about WHY
Attitude towards the client	Expert consultant	Expert and partner>	Partnership	Partnership	An understanding, empathetic expert	An expert who understands and gives interpretations

Source: Authors' own research

When preparing the figure and the table, I took into account the separation of the coaching branches used in the market today, although in my opinion coaching means the application of a uniform methodology. I especially do not like to separate business, management and life coaching. Just as coach organizations cannot create a separate competence system for each area, the table and figure above clearly show that we can only work with huge overlaps and uncertainties.

10.3.2 COACHING IN PRACTICE

The uniqueness and specialness of coaching lies not only in the paradigms used, but rather in its mode of operation. This characteristic can perhaps best be described as a kind of operationalization. What do we mean by that?

Coaching has become successful with the behavioral adoption of "good practices" from all areas. We can also look at this support method as one that has incorporated (and continues to incorporate) the key behaviors leading to success (so-called Key Success Behaviors). He does this by supporting the client in finding his own best solutions or observing role models. And as a next step, it encourages you to experiment with new approaches, where you also make it more effective by incorporating well-functioning methods over the long term. In this sense, the coach really does not (or only very rarely) resort to direct counseling. His task is rather to support and accompany the client on this journey, by achieving awareness (the means of which is feedback on the observed behaviors), by highlighting good practices, or by encouraging experimentation. In this way, the coach can really be "Not in the knowledge", that is, he does not have to understand the client's profession, and it is definitely not his job to give advice. This is perhaps the biggest misunderstanding about the profession.

The extent to which coaching works along the lines of the Key Success Behavior model is no better proof than the fact that the evaluation of one's own operation is carried out in accordance with such a system. The ICF, as the organization that unites professional coaches, was founded in 1996 and issued the coaching competencies as early as 1998. (PCC marker training follow-up, 2021). The description of the competencies required for the coaching profession was preceded by thorough job analysis research, the result of which was the definition of the so-called markers. (Similarly, the EMCC competence definitions can be used in a thoroughly elaborated form (emcc.hu, 2008, 2016). And the publication of the interpretation of the common competence of the two organizations (Accreditation Comparisons, 2015) shows the desire to unify the profession.)

But what are the markers? Behavioral approaches (coaching interventions) extracted from hundreds of hours of coaching audio recordings, which, according to experience, were able to

move the client forward. These markers are looked for and evaluated by the ICF Assessors when someone wants to qualify as a coach.

10.3.3 DEPTH OF COACHING

The other big prejudice about coaching is that it is more superficial, not suitable for creating really deep transformations. This can be easily refuted if we get to know more about the background of the professional leveling of International coaching organizations, which forms the system of qualifications. The ICF defines three levels for coaches, which characterize professional knowledge levels and modes of operation. They are ACC, PCC and MCC. (There are four levels in the EMCC, and the levels have been harmonized here as well between the two organizations). At first glance, the levels differ "only" in the number of hours coached, that is, in the amount of experience of the coach, but if we dig deeper, we can see that they require different levels of professional knowledge.

According to Anderson's (2020) summary, the ACC coach is the MI? focuses on the question, leads the customer to the solution of the problem linearly. At the PCC level, the coach focuses on both the WHAT and WHO, that is, both the problem itself and the person. In addition to solving the problem, the coach strives to understand the client. In MCC level coaching, the coach focuses on the WHO? of the person as a whole, and unfolds the WHAT? A simplified explanation might be as follows:

At the ACC level, it is expected that a decision and an action will be taken on the topic or problem brought up by the client, which the client can then apply immediately after the meeting. This is a kind of direct, surface-moving problem solution.

At the PCC level, the focus is on understanding the problem and the person, exploring their connection and dynamics. The PCC coach usually broadens the topic, looks for where this pattern is still present in the person's life, and then they jointly look for solutions based on this broader context. Broadening the topic and thinking beyond the problem leads the client to self-recognition, which can also ensure a more permanent change in behavior.

MCC works with the client's entire personality. In the first round, similar to PCC, they broaden the topic, looking for connected patterns in the client's life, and then dig down to the level of beliefs and paradigms. In an MCC session, it is expected that a kind of paradigm shift takes place in the client, that they work with the level of their beliefs in the process. This is then linked back to the life situations and finally an action is created in relation to the current problem.

It is as if the 3 levels correspond to the three types of change defined by Connors. (Connors 1999-2011, based on Henrique, 2015). The first level is temporary change, which consists of

making small, step-by-step changes to the current operating patterns, but not maintaining them. The second level is the transitional change, which consistently applies small steps and continuous changes, and finally the third is the transformative change, which results in a significant shift in the way the customer thinks and acts.

Basically, we can say that in order to move from the ACC level to the PCC, or from the PCC to the MCC, it is essential for the coach to deal more and more with the person as a whole, which includes the fuller spectrum of the personality, and as such it is increasingly essential, so that the coaches understand which topics and characteristics they can work with.

10.3.4 PARTNERS IN COACHING

Having understood how coaching works, we still have to answer the question of who we can work with in this format. The issue of coachability has a lot of research behind it. Still, perhaps it is easiest to start from the fact that coaching claims to be able to work with people who are able to work in partnership with the coach. This assumes the functioning of a healthy person somewhere. Below, based on the definitions of Atkinson et al., 1994 and reflecting on our own research results, we can make the following statements about coachability as a necessary characteristic:

- The ability to effectively perceive reality - that is, you see things as they are, you do not imagine otherwise. He bravely faces the facts with reality. The condition for this is that you accept feedback and are open to experiences.
 - Self-awareness - he knows what he is capable of and where his limits are, he knows that he cannot do and learn everything by himself, and therefore he is able to humbly turn to development feedback.
 - He is capable of voluntary regulation of his behavior, that is, difficult and critical feedback does not trigger excessive resistance/stress reactions and self-protection mechanisms. You have enough self-control and self-discipline to try new things or to step outside your comfort zone when necessary.
 - In terms of self-evaluation and self-acceptance, he is mostly fine with himself, his own and other people's aspects are important to him, so he can act as a partner, he does not want to keep all aspects under control at all costs, rigidly dominate the situation, or, on the contrary, submissively accept anything, despite the loss of self-identity .
 - Able to develop emotional relationships that are mutual and balanced. He is also motivated to make the system around him better.

- The expression of creativity, commitment to learning, change, creating something new, which also assumes that the fear of the unknown does not control you so much that you do not let go of control. He is able to articulate a goal and a vision for the future and is willing to act for change, not just talk about it.

It can be said that if the coach detects an inadequate or strong reaction to the intervention in one (or even more) of these areas, the suspicion may arise that the coachee's personality and/or topic goes beyond the scope of coaching. And then it is worth reaching out to other methods and chapters of support sessions and counseling - respecting the limits of each person's competence.

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Professional Certified Coach (PCC) szint a tapasztalt coach minősítése

Master Certified Coach (MCC) szint a mester coach minősítése

10.4 THE PLACE OF PSYCHOLOGICAL CONSULTATION IN ORGANIZATIONAL LIFE (LORÁND KIS-TAMÁS)

The forms of counseling used in organizational life have a long history and great diversity. That is, since ancient times, there has been a tradition that leaders turn to a counselor when they are stuck with a question, situation, or dilemma, and very diverse forms of counseling have developed over the long history of community coexistence and cooperation, starting from spiritual helpers (e.g. shamans, priests, fortune tellers), through helpers based on experience (e.g. mentors, former leaders), to practical supporters (e.g. coaches, tutors, consultants).

10.4.1 EVOLUTION OF PSYCHOLOGICAL CONSULTATION

The work of helpers in mental and spiritual issues has also had its own evolution. At one time, this privilege, i.e., guiding those seeking help in matters of the soul, was the job of religious leaders (e.g., local parish priest, confessor, local monks), then, as a result of the Enlightenment and secularization, this role was transferred to experts who approached spiritual processes on a scientific basis, i.e., it became part of medicine (e.g., psychiatry, neurology). Until the turn of the 19th and 20th centuries, with the emergence of William James (USA) and Sigmund Freud (Europe), the independent science of psychology was established. Psychologists increasingly began to guide people in matters of the soul and slowly but surely became accepted experts in spiritual counseling. Then the 21st century brought even more practical trends in mental help, in the form of mental health counseling and coaching, a position currently under siege by the community of motivational speakers/trainers and influencers. Every era and profession has looked with distaste and criticism at newly emerging and gaining ground trends and approaches, but over time, these forms of assistance, which were initially in their infancy, have grown in sophistication (e.g. accreditation, quality assurance, demanding training and examination systems, supervisory background support), and have been able to find their place in the assistance market in cooperation with previous approaches (e.g. the increasingly close cooperation between psychology and coaching, even at the institutional level, or the increasingly better cooperation between doctors and psychologists).

Although psychological work used in organizational life is often called psychological counseling, just like during a coaching process, no specific counseling takes place in a psychological intervention, so we will refer to it as psychological consultation in the following. Psychological consultation occupies a prominent place in the complex range of services of mental and spiritual assistance, as it provides assistance to healthy individuals, i.e. individuals without diagnosable pathology, including representatives of the organizational world, with psychological background knowledge and even relevant professional training (for example, a degree in counseling psychology), consultation and therapeutic methodologies. In other words, psychological consultation is not interested in shaping personality (even if it can have such an effect) or providing psychotherapeutic assistance, but its goal is to support and assist individuals with a healthy personality structure but who are stuck in life situations, in those topics that already go beyond the validity and competence of a result- and solution-oriented coaching process. In the world of organizations, such tasks can include providing support in various crises (e.g. burnout, grief), developing supportive life skills (e.g. stress management, resilience), working on deeper self-knowledge (whether it's exploring and transforming self-sabotaging tendencies from childhood, or poor performance caused by severe anxiety), or psychological work with obstacles that were not sufficiently resolved by previous targeted and practical coaching processes.

Psychologists working in an organizational environment are often approached by clients because their manager, performance appraisal, training, or coaching process has drawn their attention to a problem that has not been resolved in these forums (e.g. with manager support, training and/or coaching processes, or by reading books about it). Therefore, in addition to the possibility of organizational training and coaching processes, psychological support is increasingly appearing in organizations, which the manager or employee can request to deal with their problems, either by involving an internal psychologist employed by the organization or an external psychologist who works closely with the organization. "Internal" and "external" psychological experts have their own advantages and disadvantages, just as internal and external coaches do. The former has greater cultural knowledge and, in some cases, acceptance ("they know us well"), but precisely because of this, the disadvantages may be excessive involvement and difficulty in maintaining neutrality, and the person seeking help may also fear that what they are discussing with the expert will have an impact on their career (e.g. fears related to the suitability assessment). While the external role has the advantage of being more independent of internal dynamics, being able to look at the case from a sufficient distance and not being affected by power and organizational cultural games, "chemistry" and trust based on familiarity may also develop more slowly. It often also depends on the individual preference of the employee requiring

support as to whether they would be better able to cooperate with an external or internal helper. This is why some organizations use both options.

10.4.2 DIFFERENCES BETWEEN PSYCHOLOGICAL CONSULTATION AND COACHING

During psychological consultation, the expert often deals with the client's past and the causes of the current situation, while coaching processes are fundamentally focused on the present and the future. As a result, psychological consultation can be a much longer process, even six months or a year, as opposed to a coaching process, which typically consists of 5-10 sessions, or even shorter (e.g. 1-2 decision-support sessions, or the solution of a specific question or problem supported by a coach in 1-2 sessions).

In the case of psychological consultation, a deeper and more structured exploration of personality and the factors that dynamize personality may receive greater emphasis. As a result, consultation may involve deeper and longer, and in some cases more painful, self-knowledge work than the fundamentally goal- and action-oriented coaching approach.

In general, coaching (especially when it comes to business or executive coaching) focuses specifically on workplace stagnation and dilemmas, keeping the topic dominantly in the context of the workplace, while psychological consultation examines the topic brought up by the client in a broader context, so the processing can also extend to private life and previous life stages (obviously to the extent that this is appropriate for the client).

Although the boundaries can be clearly drawn, the coaching and psychological consultation approaches are not so sharply separated in the methodology and technical repertoire of many professionals, as there are many psychologists with coaching qualifications and coaches with/who have completed psychological studies working in the Hungarian organizational consulting market.

In the case of mixed qualifications (when the facilitator is, for example, a coach with a psychology qualification), the expert can decide for himself which methodology and toolkit he prefers. When he only has one profession, he decides, by considering the topic brought and his own competence, whether to undertake the task or to recommend another expert with different competences. However, even if the facilitator is present in both fields, he strives to “contract” separately, to frame the process differently depending on whether the topic brought by the client/coachee requires psychological or coaching competence/techniques. This separation is justified, as we can see from the above that it is not the same whether we sign up for a 5-10 session, result-focused process or a deeper and longer self-awareness process.

A well-prepared expert clearly frames this with the client at the beginning of the process depending on the topic brought up, the available framework and resources, and the set goal, i.e. he takes into account what methodology and frameworks the topic and needs of the client and the client (if the two are not the same person) require (indication), and what is possible in the given organization. This clear framework also gives the client psychological security. It also often happens that the organizational framework can only provide a shorter, narrower focused development process (e.g. 6-10 sessions), so the expert works on this and adjusts the topic and depth to it, while for topics that go beyond this, a different form of help and process is recommended at the beginning of the process (e.g. in an individual or group psychological consultation or psychotherapy process, deeper private issues that go beyond the framework of an organizational consultation can be taken further). Which is therefore a basic principle, both professionally and ethically, that these frameworks and opportunities should be clear and transparent for all stakeholders in the process (e.g. client, client, HR), even before the process begins, or at least at the very beginning (for example, after the first few topic clarification sessions at the latest).

There is also a difference in the ethical framework when comparing coaching and psychological consultation. Although accredited coaching organizations also have their own elaborate ethical rules (e.g. ICF Code of Ethics, MCSz Code of Ethics, IAC Code of Ethics), the Professional Code of Ethics for Psychologists (PCE) is a long-standing, meticulously developed set of rules for all aspects of providing psychological assistance (from consultation to therapy), which is uniformly binding for all psychologists. As the PCE states: “Beyond the formal obligations regulated by law, it emphasizes moral responsibility and gives it concrete content. The basic principle of the PCE is to respect the rights and dignity of the individual, to strive for a high level of competence and to keep in mind the limits of competence, to preserve the integrity of the role of the psychologist and the personality. It aims to provide a reliable basis for deciding how a psychologist should proceed, especially in cases where he or she finds himself or herself in a problematic or conflicting situation while practicing his or her profession. The Code of Ethics therefore includes, in addition to ethical principles, the most important behavioral requirements.” Thanks to this, the activity of a psychologist takes place within a strong quality assurance framework. In the case of a given workplace issue requiring support, it is worth studying the ethical codes of both approaches available in the workplace in order to compare the ethical guidelines of coaching and psychological consultation.

10.4.3 MAIN FOCUSES OF PSYCHOLOGICAL CONSULTATION IN AN ORGANIZATION

Without claiming to be exhaustive, psychological consultation can provide assistance in the following topics in the operation of an organization.

- Guiding the client in the chosen topic with appropriate information collection methods (interview, psychological tests, observation in an environment relevant to the intervention).
- Professional intervention based on correct (ethical, relevant and informative) measurements, the results of which can later be measured back.
- Establishing a diagnosis of psychological disorders using assessment procedures.
- Psychological support for solving individual life management and life organization problems (even life management crises).
- Helping to optimize life roles and organizational roles.
- Supporting responsible decision-making without giving specific advice, or providing a psychological opinion for organizational decisions.
- Helping with career orientation (career choice and career change) decisions based on self-knowledge.
- Multicultural counseling, leadership counseling, development programs/workshops.
- Psychoeducation, i.e. supporting learning and personal development in the main areas of psychology (e.g. communication, resilience and burnout prevention, problem solving, etc.).

10.4.4 A SPECIFIC EXAMPLE OF ORGANIZATIONAL CONSULTATION SOLUTIONS

In order to show what professional intervention psychological issues that arise in the organization may require, here is a specific example, through which we can observe the indications for the application of individual assistance methods and approaches. Let's assume that the employee (he can be a manager or a subordinate) is looking for support to develop his self-confidence, for example, in organizational presentation and advocacy situations, he feels the most lack of self-confidence, which leads to many disadvantages in everyday life. Up to this point, this topic could be addressed either in the context of group development (for example, presentation and assertiveness skill development training), or in individual development, either through coaching or psychological consultation, or even psychotherapy (the latter usually does not take place within the framework of the organization). In order to determine the appropriate

developmental intervention (training, coaching, psychological consultation, psychotherapy), it is worth understanding the nature of the problem better. After all, the lack of self-confidence, as a blockage, can have several layers, and different intervention solutions work depending on the nature and depth of the blockage. The topic of self-confidence can have

- a behavioral level (confident behavior),
- a level of self-confidence (belief in oneself),
- a cognitive level, which we can call the level of self-evaluation (i.e., the cognitive evaluation of oneself),
- and an affective level, which we can call the level of self-esteem (emotional attitude towards oneself).

Different levels require interventions of different depth, methodology, and time intervals.

Applying this model to the specific example, the “top” layer of the topic brought up by the employee, i.e. the level that can be changed most easily and practically, is the behavioral level, i.e. in this case, the extent to which the employee can master confident behavioral elements at a skill level, such as confident public speaking, confident action and body language, or effective concealment of stress symptoms during speech. A suitable developmental intervention for this level is skill development training or an individual coaching process dedicated to this topic. However, it is only worth working with developmental solutions at this level if the employee’s self-confidence is well-founded, because their self-assessment is realistic and their self-esteem is sufficiently high. After all, if these foundational factors are not in order, the use of behavioral elements can even increase the employee's anxiety, through a kind of imposter syndrome (when the individual does not believe that he or she is capable of performing the given task, even if he or she is prepared for it, and is therefore constantly afraid of "getting caught").

If the helper's exploration of the problem and practicing behavioral elements do not bring sufficient results, i.e. the employee cannot use the learned skills, or continues to be anxious and does not feel confident in presentation and advocacy situations even with good speaking skills, in this case the coaching process can focus on the coachee's self-confidence, or belief in himself or herself. The expert can examine what internal resources can be mobilized in the interest of the goal (for example, existing knowledge and experiences, self-reinforcing internal monologue, or visualization of a successful situation, etc.), or what external factors could increase self-belief (for example, a supportive community, environment, leader, etc.). However, in the absence of adequate self-esteem and a realistic self-image, even high self-confidence only strengthens the imposter syndrome and can even trigger unconscious self-sabotage processes, which the employee can “use” to hinder himself again and again in presentation and/or self-assertion situations.

Here comes a level of self-knowledge consultation, which requires either a very experienced and multifaceted coach or a psychological expert. The employee's self-assessment must be examined more closely. Here, the helper explores issues and phenomena such as how realistic the client's self-assessment is, or from what sources they obtain information about their self-image and within what schema system they interpret it, i.e. through what range of experiences they "filter" feedback about themselves and what previous experiences, even childhood ones, determine their self-assessment. At this level, the client's distorted self-assessment is often evident during the relationship with the helper, whether unrealistically positive or unrealistically negative, so the client and their helper can reflect on the phenomenon directly during the sessions along the expert's feedback and empathetic confrontations. At the level of self-assessment, deeper self-knowledge work is also justified and the focus is not only on the future goal and the current state, but the experiences and beliefs they have brought also play an increasingly important role in the joint work.

In this self-knowledge work, the expert may notice that the blockage requires even deeper self-knowledge work, which can be done by a routine psychologist, specialist psychologist, or even a psychotherapist. This is the level of the client's long-term emotions about themselves, which often goes beyond the framework of organizational work, since organizational consultation is not the setting for therapy. In the case of deeper self-esteem issues, the expert clearly deals with childhood foundations, because the fundamental and long-term emotional self-relationship is established in childhood, so here the helper deals with attachment patterns, injuries acquired in trusting relationships, and childhood traumas. Depending on the severity of these past contents, the expert decides whether the topic fits into the self-knowledge framework of psychological consultation or is more of a therapeutic topic. This level is affected by the organization and the leader on a daily basis and not consciously (for example, performance appraisal), but working with this level is not advisable for the leader, HR person, or organizational trainer or coach, this work requires psychological competence.

With this specific example, we wanted to illustrate the possible levels of handling a personal blockage that arises in an organization, and where the range of influence of psychological consultation is in this topic. Of course, many other organizational topics could be examined with this eye, but perhaps this example illustrates the possible depths of consultation work.

10.4.5 SUMMARY

Psychological consultation used in organizational life is a very diverse form of support work, whether it is supporting a subordinate, an HR expert, or a manager. The primary approaches are always correct assessment and support for deeper self-knowledge using a diverse range of psychological tools, within the framework of the rules of psychological ethics. The consulting psychologist is well aware of the limits of his own competence and is also open to other, borderline methodologies (such as training, coaching, therapy), which he recommends if the topic does not, or does not only, require psychological consultation.

10.4.6 LITERATURE SOURCES FOR SUBCHAPTER 10.4

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Olympic National Forest, Washington State, USA, photo by Eric Sanders.

