

A Study on the Impact of the Characteristics and Factors of Consulting Client on the Quality of Consulting Services

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Abstract: Background/Objectives: This study confirmed the effect of the characteristics of consulting firms on the quality of consulting services. When consultants conducted consulting, they tried to help them by organizing the items that they had to prepare to improve service quality.

Methods/Statistical analysis: We used social science research methodology. Consulting and consulting Service quality was clarified and the components were reviewed. The research model and the hypotheses were established through the previous research and the questionnaire was conducted with 25 observational variables. The data of 128 questionnaires of the respondents were analyzed and verified. The data of collected survey data were analyzed and SPSS 22.0 and AMOS 22.0 were used for hypothesis testing of research model.

Findings: The results of this study are as follows, first, the directivity of relationship has a positive effect on the consulting demand factor. In detail, it is confirmed that the higher the relationship orientation of company characteristics, the higher the understanding of consulting consumers. Second, it was confirmed that consulting service quality had a positive effect on the quality of consulting service. Consulting service quality (reliability) was found to be high when understanding the factors of consulting users. Third, it was confirmed that the intelligibility has a mediating effect on the reliability of the independent variables of the characteristics factor of the consulting firms.

Therefore, the characteristics of the enterprise affect the factors of the consumer and the factors of the consumer influence the quality of the consulting.

Improvements/Applications: To summarize the results of this study, consultants and consulting firms can influence the quality of consulting services before consulting to understand the characteristics of the company and the factors that may influence consulting performance and to draw out the results of successful consulting. The factors that can be controlled should be used and utilized.

Keywords: Management Consulting, Company Characteristics of Client, Consulting Consumer Factor, Consulting Service Quality

I. INTRODUCTION

In the future, the world economy will become more and more fierce as the transition to a knowledge-based economy is accelerated and the convergence of industries becomes more widespread.[1][2] McGonagle & Vella (2002) suggested that

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consulting, which is a viewpoint of companies from an external point of view, and a viewpoint of a company from a global point of view, is very necessary.[3]

The purpose of utilizing such management consulting is various, but Kubr suggests 5 things for consulting use purpose. The first is the achievement of the goals and objectives pursued by the organization, the second is the problem solving in management and business, the third is the discovery and utilization of new opportunities, the fourth is the increase of learning, and the last fifth is the execution of change.[4]

Management consulting is advice by taking advantage of expertise or experience in an independent position, but does not directly perform management activities. Therefore, even though managers should accurately recognize and carry out the concept, purpose, and process of consulting, some managers tend to be confident that if consulting is received, the consultant will solve all problems completely.[5]

In order to meet the purpose and effective management consulting, consulting should be based on understanding of consulting which is not solely dependent on consultant and proceeding in demand enterprise.

Morgan & Hunt (1994) believes that trust exists when confident in the belief and truthfulness of the counterparty and reduces the uncertainty of the transaction. And that trust affects future relationship activities that enhance cooperative activities.[6] It is important to form a relationship between a client(company) and a consultant and to understand the purpose and contents of the consulting, and this affects the quality of the consulting service in the consulting process.[7]

We derive the agenda of what consulting service quality affects performance and what impacts consulting service quality. The purpose of this study is to find out the factors that improve the quality of consulting service by exploring and analyzing the factors affecting the quality of consulting service.

II. THEORETICAL BACKGROUND

2.1. Management Consulting

The International Council of Management Consulting Institutes utilize the knowledge, skills, and assets of consultants to provide objective advice and expert knowledge and skills to help organizations solve problems, create value, and maximize growth and improvement performance.[8]



The Institute of Management Consultants USA said that it provides independent and objective advice to diagnose and solve problems and opportunities, to help them define and achieve their goals, and to support the implementation of the solution.[9]

2.2. Company Characteristic of Client

The characteristics of a company are elements that can represent and explain the nature of a company and can be considered to include all kinds of attributes. In this study, we try to study the characteristics of the company from the perspective of organizational tendency.

In the study of relationship between corporate culture and consulting satisfaction, four factors such as innovation culture, relational culture, hierarchical culture and performance culture were suggested. Among them, innovation culture, relationship culture and hierarchical culture excluding performance culture influenced consulting satisfaction This implies that the more the organization has an innovation-oriented, relationship-oriented, and hierarchical orientation, the higher the satisfaction level[10]

2.3. Factors of consulting demand company

In addition to consulting's understanding and reliability, clarity of consulting purpose and goal, degree of consideration of participating organization and period, enthusiasm of organizational staff, degree of managerial support, self-evaluation of consulting result, adoption and application of consulting result , And that the understanding and reliability of the consultant of the consumer (enterprise) is an important factor among these factors .[11]

Cooperation and participation of consulting companies, acceptance and understanding of consulting firms are key success factors of consulting.[12]Comprehension of consulting contents to demand companies has a positive effect on the efficiency of consulting.[13][14]

2.4. Consulting Service Quality

The metrics for consulting performance include compliance with time, compliance with budget, achievement of expected performance and technology, efficient utilization of allocated resources, and customer satisfaction with consulting results.[15][16]The consultant's expertise and the relationship between the consultant and the client have a positive impact on management consulting performance.[17]Reliability, reliability and responsiveness among consulting service quality influence consulting performance.[18][19]

III. STUDY MODEL AND HYPOTHESIS

In this study, the characteristics of the firm (Directivity of Innovation, Directivity of relationship, and Directivity of performance) mean the unique characteristics of the firm, and understanding of the factors of consulting demand means the characteristics of communication between the consulting client and the supplier. And the reliability of consulting service quality means the quality of the consulting service provided by the consulting provider. The research models based on latent variables and research hypotheses are as follows figure 1

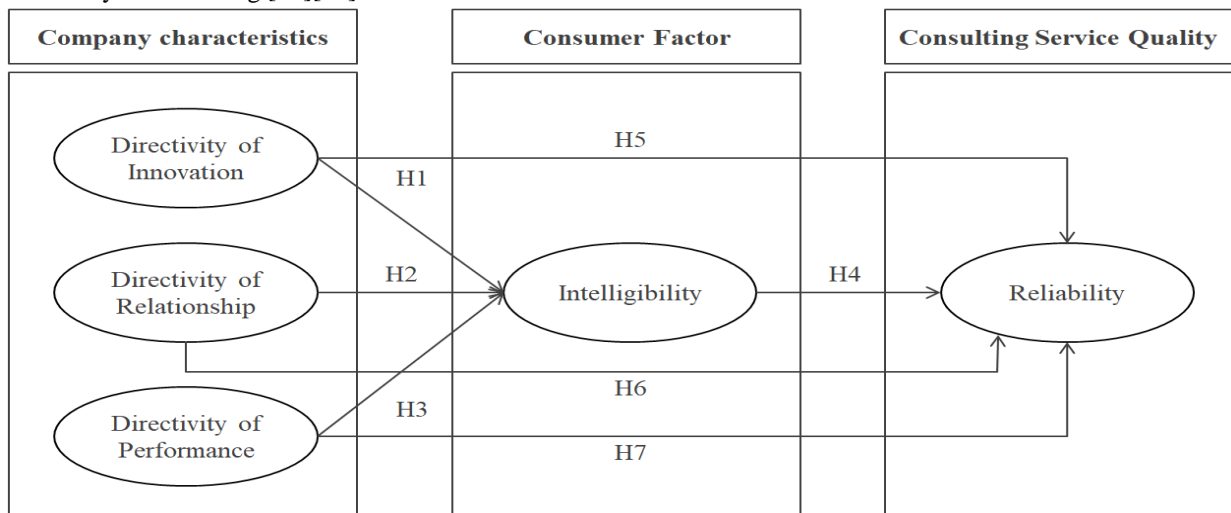


Figure 1. Study Model

The results of this study can be summarized as follows. It can be seen that the characteristics of firms in the demand firms affect the quality of consulting.

H1: Directivity of innovation will have a positive impact on the intelligibility of consulting.

H2: Directivity of relationship will have a positive effect on the intelligibility of consulting.

H3: Directivity of performance of a firm will have a positive impact on the intelligibility of consulting.

H4: The intelligibility will have a positive effect on the reliability of consulting service

In addition, each of the independent variables, we hypothesized that the intelligibility affects the mediating effects of Directivity of innovation, Directivity of relationship, and Directivity of performance, in relation to the reliability of consulting service.



H5: Between Directivity of innovation and the reliability, intelligibility will function as mediating effect.

H6: Between Directivity of relationship and the reliability, intelligibility will function as mediating effect.

H7: Between Directivity of performance and the reliability, intelligibility will function as mediating effect.

IV. EPICAL ANALYSIS TEST

4.1. Sample characteristics

In order to verify the hypotheses set out in the research model of this study, a sample of 300 consultants with management consulting experience was selected and the data

Table 1. The general characteristics of Sample

Item		Frequency	SUM	Percentage (%)	
Industry	Manufacturing	62	128	48%	100%
	Non-manufacturing industry	66		52%	
Consulting manager Position	CEO	41	128	32%	100%
	Executive level	30		23%	
	Manager (Included General Manager)	37		29%	
	PIC(Person In Charge)	20		16%	

were surveyed. The sample was randomly selected and conducted for about 2 months from March 8, 2018 to April 15, 2018, and the questionnaire was distributed through e-mail and direct survey method. Of the 300 distributed questionnaires, 172 were retrieved and analyzed. The total number of recovered 172 was analyzed and verified using a total of 128 copies except for those with missing values.

The results of frequency analysis according to the level of the supervisor who performed consulting in the demand enterprise are as follows: 41 CEOs (32%), 30 Executives (23%), 37 Managers (29%), 20 PIC (Person In Charge) 16% respectively. Table 1 summarizes the general characteristics of the questionnaire used in this study.

4.2. Study subjects and Questionnaire composition

In order to express the concept of Directivity of Innovation, Directivity of Relationship, Directivity of Performance, Intelligibility, and Consulting Reliability, which constitute the

research model, it is manipulated based on the previous research. The definition of each variable is shown in Table 2 below.

Table 2. Operational definition of variables

Upper Factor	Factor	Definition	Contents	Reference
Company Characteristics	Directivity of Innovation	Emphasis on creativity or innovation and the tendency to pursue these points	Emphasize creativity and innovation	Jang Young. (1996). Han Bong-ju (2010) Shin Dong-ju (2012), Song Keo Young (2015), Kim Sang-moon (2016)
			recommend various methods for growth	
			Communicate freely among members	
			Encourage change and new initiatives	
	Directivity of Relationship	Emphasis on humanity and employee morale and the tendency to pursue these points	Create a family atmosphere	
			Emphasize employee morale	
			Emphasize cohesion and unity	
			Collaboration & Teamwork	
	Directivity of Performance	Emphasis on efficiency and efficiency of work and inclination to pursue these points	Emphasis on efficiency and efficiency of work	
			Focus on clear planning and goal setting	
			Performance-based evaluation	
			Focus on achieving goals	
Factor of consulting	Intelligibility	The Level of Understanding and	Understanding the status of the company and the reason for consulting	McLachlin(1999) Jang&Lee(1998),



demand Company		Sharing of Reason and Goal of Consulting	Establishing goals to achieve from consulting	Armenakis & Burdg(1988) Choi Chang Ho(2014)
			Share information among members about project performance	
			Clarify requirements to consultants	
Consulting Performance	Consulting Reliability	Ability to perform committed services correctly	Adheres to the schedule of consulting work	Appelbaum & Steed(2005), S i m o n & Kumar (2001) Gang Seong Cheon (2016)
			Submit reports that meet the expectations of the demanding enterprise	
			Stable Project Operation	

4.3. Validity and Reliability Analysis

4.3.1. Exploratory Factor Analysis and Reliability Test

In order to verify the validity of the sample, exploratory factor analysis was conducted. The results are shown in Table 3. All measurement variables used principle component analysis to extract constructive factors and varimax was adopted to simplify the factorial wit. The results of this study can be summarized as follows. First, the variables were selected based on the theoretical structure of the previous research and named as Directivity of Innovation, Directivity of Relationship, Directivity of Performance, Intelligibility, and Consulting Reliability.

The eigenvalues of the five selected rotated factors meet the criteria requirement above 1.0. Factor loading values were based on 0.40 or more. All items were used for analysis, and the Cronbach's alpha value of each variable ranged from .891 to .935, indicating that it was a reliable level (Cronbach's alpha > 0.8). The KMO measure showed a high value of 0.920 and Bartlett's sphere test was found to be appropriate with a significance of .000. Exploratory factor analysis and structural equation model analysis were conducted using SPSS 22.

Table 3. Exploratory Factor Analysis and Reliability Test

Factor	Measurement question	Variable					Cronbach's alpha
		Directivity of Innovation	Directivity of Relationship	Directivity of Performance	Intelligibility	Consulting Reliability	
Company Characteristics	DI1	.743					.927
	DI2	.547					
	DI3	.653					
	DI4	.675					
	DR1		.836				.891
	DR2		.633				
	DR3		.737				
	DR4		.667				
	DP1				.590		.915
	DP2				.699		
	DP3				.777		
	DP4				.805		
Factor of consulting demand Company	Intel1				-		.901
	Intel2				.547		
	Intel3				.727		
	Intel4				.603		
Consulting Performance	R1					.808	.935
	R2					.796	
	R3					.730	
Eigen Value		3.037	3.029	3.580	2.353	3.776	
Distributed Description (%)		15.986	15.944	18.841	12.383	19.873	
Cumulative Dispersion (%)		54.700	70.644	38.713	83.026	19.873	
• Note: 1) DI: Directivity of Innovation, 2) DR: Directivity of Relationship, 3) DP: Directivity of Performance, 4) Intel: Intelligibility 5) CR: Consulting Reliability KMO=.920 Bartlett's χ^2 =2544.58 p<.001							

4.3.2. Measurement Model Analysis and Hypothesis Test

As a result of the analysis of the research model, the model fit through the



statistical test is shown in Figure 2 below.

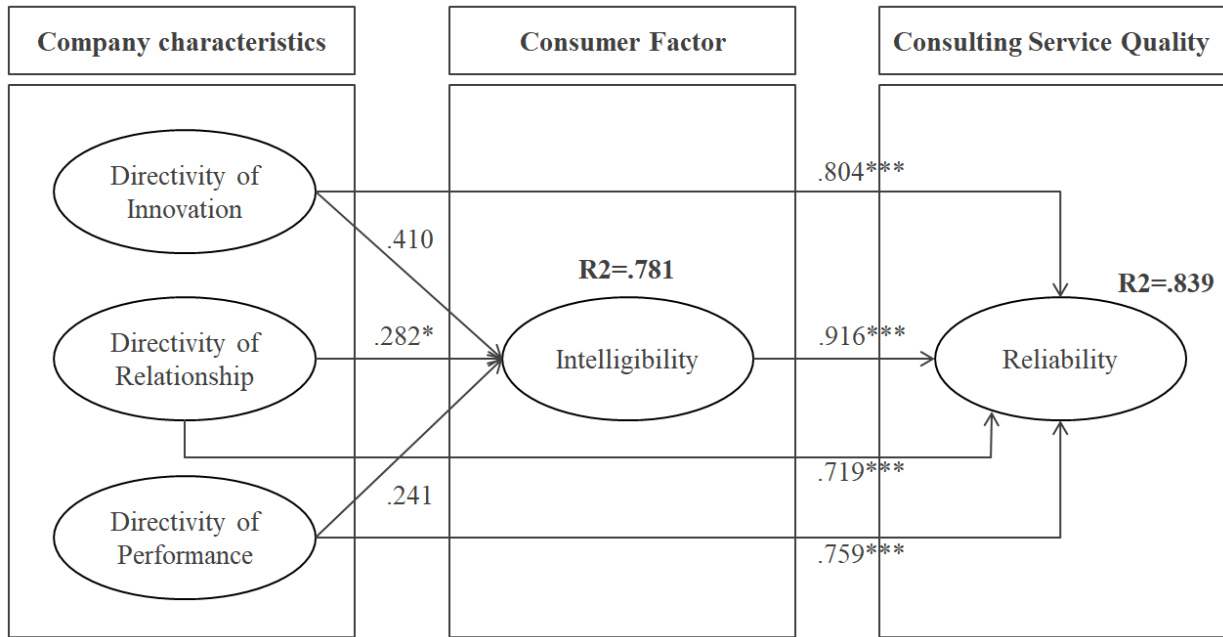


Figure 2. Statistical Research Model

Below Table 4 shows the validity and reliability of the measures and the fit of the measurement models adopted in this study. We used CMIN / DF (<3.0, GFI • AGFI • CFI • NFI • TLI (> 0.9) and RMR (<0.05) to confirm the fitness of the data. T value for estimating the relationship between the latent variable and the measured variable exceeded 1.965 and

the SMC value was more than 0.4. It was confirmed that the latent variable explained the variance of the measured variables well. In addition, the measurement model was found to be appropriate for CMIN / DF 2.043, AGFI .850, GFI .923, CFI .975, NFI .954, IFI .976, TLI .961 and RMR .028, respectively.

Table 4. Fit analysis results for the research model

Fit index	χ^2 (P)	df	CMIN/DF	AGFI	GFI	CFI	NFI	IFI	TLI	RMR
Index	57.194	28	2.043	.850	.923	.975	.954	.976	.961	.028
Criteria	> .05	-	< 3	> .8	> .9	> .9	> .9	> .9	> .9	< .05
Estimation	Accept	-	Accept	Accept	Accept	Accept	Accept	Accept	Accept	Accept

As a result of examining the path coefficient for the hypothesis test, the higher the relationship orientation, the more influence on consulting understanding ($\beta = .282$, $P = .05$). The higher the quality of consulting service (reliability),

the higher the standardization factor ($\beta = .282$, $P = .001$).

The fitness of the research model is shown in Table 5 below.

Table 5. Goodness of Fit of Research Model

Hypothesis	SRW	t-value	p	Verification	R ²
H1	0.410	1.853	.064	Reject	.781
H2	0.282	2.229	*	Accept	
H3	0.241	1.281	.200	Reject	
H4	0.916	4.697	***	Accept	.839
•Note: SRW: Standard Regression Weight* p<.05, ** p<.01, *** p<.001					

Table 6 below summarizes the hypothesis test results.

Table 6. Summary of hypothesis tests

Hypothesis	Research hypothesis content	Estimation
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H1	Directivity of innovation will have a positive impact on the intelligibility of consulting.	Reject
H2	Directivity of relationship will have a positive effect on the intelligibility of consulting.	Accept
H3	Directivity of performance of a firm will have a positive impact on the intelligibility of consulting.	Reject
H4	The intelligibility will have a positive effect on the reliability of consulting service	Accept
H5	Between Directivity of innovation and the reliability, intelligibility will function as mediating effect.	Accept
H6	Between Directivity of relationship and the reliability, intelligibility will function as mediating effect.	Accept
H7	Between Directivity of performance and the reliability, intelligibility will function as mediating effect.	Accept

4.3.3. Mediating Effect Analysis Result.

The bootstrapping method was used to test the mediating effect of intelligibility the effect of each independent variable, Directivity of innovation, Directivity of relationship, and Directivity of performance on the reliability. The results are shown in Table 7 below.

Table 7. The result of mediating effect hypothesis

Item	Standard Indirect Effect	P-Value
Directivity of innovation → Intelligibility → Reliability	.804	.01***
Directivity of relationship → Intelligibility → Reliability	.719	.01***
Directivity of performance → Intelligibility → Reliability	.759	.01***
***p < 0.01		

It is found that the intelligibility has a significant influence on the reliability of each independent variable, Directivity of innovation, Directivity of relationship, and Directivity of performance. Therefore, it can be concluded that there is a significant indirect effect on the effect of the company characteristics on the reliability at the significance level of 1%. Accordingly, hypotheses H5, H6, and H7 were accepted. And the intelligibility was found to be a perfect mediating effect on the reliability of each independent variable.

V. CONCLUSION

The purpose of this study is to examine how the characteristics of firms affect the factors of consulting users and how the factors of consulting users affect the quality of consulting services. And the consulting service quality factor was set as reliability. Finally, the consulting service quality variable was verified as reliability.

The summary of the results, first, the directivity of relationship has a positive effect on the consulting demand factor. In detail, it is confirmed that the higher the relationship orientation of company characteristics, the higher the understanding of consulting demanders. Second, it was confirmed that consulting service quality had a positive effect on the quality of consulting service. Consulting service quality (reliability) was found to be high when understanding the factors of consulting users. Third, it was confirmed that

the intelligibility has a mediating effect on the reliability of the independent variables of the characteristics factor of the consulting firms.

The point is that the intelligibility of consulting service consumers affects the quality of consulting service, and it is possible to confirm that factors of consulting service consumer are influenced by directivity of relationship. In order for consultants to provide high-quality consulting services, it is necessary to prepare for consulting beforehand how to improve the comprehension of consulting and how to improve the relationship orientation of demand companies in the verification of the relationship with each independent variable, the intelligibility was found to have a full mediating effect. Therefore, Directivity of innovation and Directivity of performance can be included as influential factors by raising the understanding level of the consultant participants of the consumer company, so the consultant should acquaint this point and lead the project successfully.

The implication of this study is that even if a consultant conducts consulting to a company of similar business type or similar size, some firms will obtain satisfactory consulting results, but some companies may experience unsatisfactory consulting results. In spite of the fact that consultants who have sufficient abilities of consultants (ability, attitude, knowledge, etc.) are engaged in consulting, the above phenomenon occurs, so researching the causes of these phenomena and finding countermeasures

The limitation of this study is that the characteristics of the firm are limited to three (innovation orientation, relationship orientation, and performance orientation) and the consulting demand factor is set only for the understanding road. Therefore, more research is needed on the use of more diverse firm characteristics and antecedent factors.

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