Crossing the management fashion border: The adoption of business process reengineering services by management consultants offering total quality management services in the United States, 1992–2004

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Abstract
Building on prior research on management fashion, this paper seeks to understand how management consultants respond to the boom-to-bust cycles of competing management fashion trends. Specifically, we examine how US management consulting firms offering total quality management (TQM) services responded to the rise and fall of the rival management practice, business process reengineering (BPR), with an empirical focus on the adoption of BPR services. We find that a consulting firm offering TQM services was more likely to adopt BPR services if the firm’s organizational capabilities and institutional environments were more connected to BPR’s principles than to TQM’s principles. This suggests that management fashions are not simply bandwagon phenomena, but involve resource- and identity-based decision making. We also find that the significance of organizational capabilities increased while that of network influences decreased as BPR’s boom turned to bust. The reversal of well-established institutional accounts of innovation diffusion is explained by reference to the characteristics of management fashion.

Keywords: knowledge diffusion, resource-based view, institutional theory, organizational identity, organizational change

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INTRODUCTION
The quick emergence and rapid spread of a management practice, followed by its sudden downfall, has been well documented and explained in studies of management fashion (Abrahamson, 1996; Abrahamson & Fairchild, 1999; Benders & van Veen, 2001; Strang & Macy, 2001; Strang, David, & Akhlaghpour, 2014). The management practice and associated ideas rapidly gain extraordinary popularity, and are welcomed as seemingly innovative and powerful ways of achieving successful organizational outcomes. However, the popularity soon vanishes like a puff of smoke, with the widespread rejection by once-faithful supporters.

Much prior research has examined why and how such a bell-shaped management fashion cycle comes about, attributing it to long waves of macroeconomic activity (Barley & Kunda, 1992; Abrahamson, 1997; Carson, Lanier, Carson, & Guidry, 2000), socio-political or socio-psychological milieu (De Greene, 1988; Barley & Kunda, 1992), and cognitive bias (Benders & van Veen, 2001; Strang & Macy, 2001; Giroux, 2006; Nicolai & Dautwiz, 2010). Most of the studies in this research stream have
assumed that a group of logically coherent management practices proliferates in particular social, cultural, and economic environments. For example, Abrahamson (1997) demonstrated that the post-1970 era was bombarded with a number of management practices, all of which belonged to the family of normative rhetoric. Further, following the pendulum thesis, he added that a group of management practices with a rational flavor would be prevalent in the 1990s and afterwards, as macroeconomic conditions reached the end of the long wave downswing.

Although this parsimonious picture successfully depicts macro patterns of management fashion cycle, prior research has left untouched an important issue related to what is actually happening inside the management fashion field: How do actors behave in the face of multiple fashionable practices that build on different management philosophies? When a single management practice dominates the fashion niche, the managerial decision appears to be rather simple; whether to jump on or not. When multiple practices with diverging logics compete for managerial attention, however, a level of complexity is added (van Gestel, 2011; Almandoz, 2012; Kodeih & Greenwood, 2014). Managers must decide not only whether to jump on, but on which side to stand.

This is especially so at a transition period from one mode of management fashion to another. Proponents of the pendulum thesis (Barley & Kunda, 1992; Abrahamson & Fairchild, 1999) acknowledge that the transition is subject to much confusion and turbulence, as management fashion, by definition, involves high uncertainty: it cannot be determined ex ante whether the emerging practice will become the next-round ‘hot’ trend, or alternatively, the old-fashioned practice will retain staying power. In addition, as the benefits of adopting a fashionable practice are deemed to be a matter of speed, pressures for early adoption often outweigh concerns about lack of resources and capabilities. When multiple fashionable practices with diverging logics are present, therefore, managers are quite uncertain about how to react in order to improve organizational performance.

Such confusion and perceived uncertainty might be particularly high for organizations that have made extensive investment in the old-fashioned management practice: The abandonment of the old practice inevitably incurs sunk costs, and the adoption of the new practice requires the rearrangement of organizational resources and the development of additional organizational capabilities (Lawton & Wholey, 1993; Greve, 1995). Consequently, some organizations stick to the old fashion to pick the low-hanging fruits or to wait for the return of the ‘old empire.’ Despite such difficulties, however, other organizations quickly embrace an emerging practice to take first-mover advantage. Therefore, it is important to understand how organizations already following the old fashion respond to the rise of a new fashion trend.

To address this question, this paper focuses on US management consulting firms around the turn of the millennium, when two change management practices, total quality management (TQM) and business process reengineering (BPR), were enjoying their heydays in the management fashion field. TQM and BPR are rooted in different, even contrasting, foundational logics. TQM, an organization-wide change management practice requiring all employees to focus their efforts on improving business quality at every level of an organization, took shape in the late 1980s and boomed throughout the

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1 In fact, there were a number of management practices during this period, some of which partially overlap with TQM or/and BPR in goals and principles; examples include ISO 9000, benchmarking, empowerment, six sigma, horizontal corporation, vision, agile strategies, learning organization, self-managed team, and core competencies (see Carson et al., 2000; Abrahamson & Eisenman, 2008). Nonetheless, TQM and BPR are examined here for the following reasons. First, they were the most popular change management practices that swept corporate America during the 1990s and the early 2000s (Gibson & Tesone, 2001; Westwick, 2007; Abrahamson & Eisenman, 2008). Second, the comparison of TQM and BPR has been an intriguing subject matter to management fashion scholars, as they are based on contrasting management philosophies (Denning & Medina-Mora, 1995; Valentine & Knight, 1998; Westwick, 2007). Third, compared with their contemporaries, TQM and BPR were well-defined and inclusive management practices: some practices were so ambiguous in definition and others were too narrow in scope (Carson et al., 2000).
1990s. It takes a bottom-up approach for achieving incremental and continuous improvement through cultural and human factors. By contrast, BPR, which focuses on redesigning and restructuring business processes to improve customer service and operational efficiency, advocates a top-down approach for driving one-time, radical change through structural and technocratic means (Green, 1992; Jarrar & Aspinwall, 1999). The life cycle of BPR lagged a few years behind: it made a surprise appearance in 1990 and struggled with TQM for supremacy all the way to the mid-2000s. So, the cases of TQM and BPR present an ideal setting to investigate how organizations aboard the old fashion react to the successive boom and bust of competing management practices.

The goal of this study is to draw attention to management consulting firms as important, yet neglected management fashion providers, and to examine how they reacted to the sequential boom and bust of multiple management practices. In so doing, this article analyzes the adoption of BPR consulting services by firms that were already offering TQM services. We first argue that a consulting firm’s adoption decision is affected by the existing organizational resources and capabilities, including consulting know-how, experience, and human capital (Barney, 1991; Peteraf, 1993; Lee, 2008; Diestre & Rajagopalan, 2011), and the external pressures from other consulting firms in the management fashion market (DiMaggio & Powell, 1983; Haunschild & Miner, 1997; Westphal, Gulati, & Shortell, 1997). Although management fashion is thought to be a field-sweeping movement, the fashion providers’ responses are arguably dependent upon organizational and interorganizational contexts.

Furthermore, this article investigates how the mechanisms involved in adoption decisions changed with the sequential boom and bust of TQM’s and BPR’s fashion. In the early stage, when TQM’s popularity began to wane while BPR was fast rising in popularity, interorganizational influences were the main driving force for crossing the management fashion border. As the BPR bubble began to burst, along with a consistent decline of TQM, however, the effects of organizational resources and capabilities overrode those of faddish influences, suggesting the increasing fitness of TQM and BPR consulting activities to their core principles. This contrasts with the generally received institutional accounts of innovation diffusion, which predict the temporal shift of diffusion mechanisms from technical concerns to institutional pressures (Tolbert & Zucker, 1983). These reversed patterns are theorized and explained by characterizing management fashion as fragile and transient collective beliefs.

Below, we begin by tracing the fashion cycles of TQM and BPR and highlighting their characteristics. We then develop and test hypotheses about the adoption of BPR services by consulting firms already offering TQM services. The article closes with a discussion of the implications of our results for management fashion theories and managerial practices, as well as a discussion of possible avenue for future research.

**TQM AND BUSINESS PROCESS REENGINEERING**

Although TQM grew out of a broad range of quality efforts, three leading quality gurus were particularly influential in the early shaping of TQM principles: Philip Crosby, Edward Deming, and Joseph Juran, who respectively defined quality as conformance to product and customer requirements, continuous improvement of a stable system, and fitness for use (Xu, 1999). Lamenting the increasing performance gap between the United States and Japanese firms, they introduced the concept of quality into the American business community. In a series of publications and interviews, they attributed the Japanese firms’ remarkable success to their excellent quality programs and unique human resource practices, and developed such ideas as quantitative measures, continuous improvement, customer-
driven standards, empowerment, and situational analysis (Peterson, 1999). Soon afterwards, the fever for quality began to spread and the focus of management discourse shifted from productivity and efficiency to quality and customer demand.

Big organizations and public agencies such as the Big Three automakers (Ford, GM, and Chrysler), Dow Chemical, the Department of Defense, NASA, and IRS made great contributions to the early diffusion of the quality movement. Not only did they implement quality programs, they also requested their suppliers to adopt effective quality programs (Vinzant & Vinzant, 1999). As quality efforts cascaded down the supply chains, the need arose for umbrella principles to evaluate various quality programs. As a response, the US Department of Commerce and the White House created the Malcolm Baldrige National Quality Award in 1987. The companies awarded the Baldrige such as Motorola, IBM, and Xerox soon became the reference models for benchmarking. With the diffusion of these award winners’ quality practices, a variety of quality programs rapidly crystallized into a standard quality management practice, TQM.

As a means of quality improvement, TQM has techno-structural features, in that statistical quality control and work process improvement constitute its technical and structural building blocks (Hackman & Wageman, 1995). As Abrahamson and Fairchild (1999) noted, however, TQM has its roots in the management philosophy of normative control: teamwork, empowerment, participatory improvement, worker training, and other employee-friendly human resource practices are an important part of TQM’s philosophical foundations (Lawler, Morhman, & Ledford, 1992; Abrahamson, 1997). In order to achieve excellence in quality, organizations should empower employees closest to the work so that they actively participate in collective endeavors to locate the sources of defects and organizational problems, and to come up with innovative ideas for quality improvement. In addition, managers must develop an organizational culture of ‘mutual gains’ so that the normative components can penetrate smoothly into the organization (Kochan & Osterman, 1994; Strang & Jung, 2009).

Like other fashionable practices, TQM’s boom did not last long. The number of Baldrige Award applications peaked in 1991, and gradually declined afterwards. A bibliometric analysis shows that business mass media began to turn their attention away from TQM after the peak in 1992 (Abrahamson & Fairchild, 1999). Managers voiced a good deal of criticism that TQM had caused a number of problems such as high overhead costs, cumbersome bureaucracy, inefficient work processes, slow decision cycles, heavy workload, and cultural conflicts (Zbaracki, 1998).

Interestingly enough, however, TQM as a practice survived longer than TQM as a discursive construct (Ehigie & McAndrew, 2005). Organizations that had already made a considerable investment in TQM continued to strive for successful implementation. Many organizations still adopted TQM with the belief that they could revive success stories of quality improvement award winners. While in gradual decline, the demand for TQM had not disappeared by the mid-2000s. Hence, some management consultants continued to stick around the TQM consulting, even after the fashion boom had ended.

The decline of TQM was accompanied by the rise of its rival management practice, BPR. The core ideas of BPR began to diffuse immediately after two ground-breaking articles were published (Davenport & Short, 1990; Hammer, 1990). As the term suggests, BPR takes a technocratic and engineering approach to organizational change. Early BPR gurus criticized existing process automation efforts for failing to achieve desired outcomes (Green, 1992; Davenport, 1993; Hammer & Champy, 1993). According to them, the traditional work processes based on the division of labor and mass production are no longer effective in the era of rapidly changing technologies and ever-shortening product cycles. Instead, managers should fundamentally rethink and redesign their business processes by using the power of modern information technology (IT) in order to achieve dramatic performance improvement (Buzacott, 1996).
The principles of BPR appear to be fundamentally different from those of TQM, in that BPR takes seriously structural and technocratic concerns at the expense of human and behavioral factors. From the structural point of view, BPR seeks to integrate split business functions into processes that take part directly in the final outcome. BPR also aims to reduce operational expenses and slim down organizational structure by elimination of redundant jobs, streamlining, work process simplification, massive downsizing, and middle management layoffs (Benders & van Veen, 2001). Thus, the focus of BPR is more on work processes and cost reduction than on worker empowerment and organizational culture. From the technocratic point of view, BPR uses IT as a technical enabler for work process redesign and organizational restructuring. With the organization-wide use of IT, different functions in different places can have simultaneous access to the information stored in a database. IT also speeds communication by using tools such as e-mail, offsite video conferencing, and file transfer protocol, enabling instantaneous responses to changing organizational environments (Davenport & Short, 1990). As this revolutionary approach attracted increasing attention from the business community, BPR grew quickly into a hot service item in the management consulting industry. For instance, Anderson Consulting reported $700 million sales of BPR services worldwide in 1993, and BPR consulting was estimated to be a $51 billion business in the United States in 1996 alone (Valentine & Knights, 1998; Jarrar & Aspinwall, 1999). While the popularity of BPR as a discursive construct turned to bust around the mid to late 1990s, it seems that BPR stayed ‘hot’ in the management consulting market all the way into the mid-2000s.

The rise of BPR accompanied by the plateauing and then declining popularity of TQM dramatically increased uncertainty in the consulting service market. First of all, it was uncertain whether the demand for BPR would continue to increase and override that for TQM, or BPR would end up as a passing fad followed by the glorious comeback of TQM. Such uncertainty could be found in a rhetorical competition between the two fashion camps. BPR advocates often declared the end of TQM, because ‘TQM contradicted conventional management practices of Western countries.’ Proponents of TQM predicted the quick failure of BPR, as it is ‘in conflict with some of the fundamentals of good management’ (Jarrar & Aspinwall, 1999, p.585). Furthermore, the fact that the two management practices were rooted in contradictory management principles presumably added to difficulties in consultants’ decision making. The knowledge and skill base for TQM consulting activities seemed to be fundamentally different from those for BPR consulting. Therefore, management consultants with TQM expertise might find it difficult and even risky to join the BPR bandwagon: it required them to rearrange organizational resources and, furthermore, to transform their organizational identity.

As a response to such high uncertainty, some management consultants offering TQM services kept at the old fashion with the hope of its revival or ‘gleaning after reapers.’ However, a number of consultants embraced BPR as an additional service item or transferred to BPR at the risk of sunk costs, resource reshuffling, and identity loss. Figure 1 presents the changing patterns of BPR service adoption by consulting firms offering TQM services.

**THEORY AND HYPOTHESES**

**Resource base and organizational capabilities**

When two management practices based on diverging principles are present in the management fashion market, management consultants face a high level of uncertainty, because it remains unclear which one will become the leading-edge practice. Under a regime of uncertainty, the future impact of adopting a new service category may be unknown and management consultants cannot form precise expectations about it (Greve, 1996; Dowell & Swaminathan, 2006). Consultants do not know whether the emerging practice will eventually become fashionable, and if so, for how long. They also may not be
able to estimate accurately the quantities and qualities of resources and capabilities required for the new service offering. Hence, the adoption of a management practice or the associated service category is always a risky decision.

However, organizations are not equally exposed to such risks. According to the resource-based view (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993), organizations possessing resources and capabilities with complementary values to the target service may perceive the adoption of that service to be less risky (Stieglitz & Heine, 2007; Adegbesan, 2009; Schmidt & Keil, 2013). First, such organizations do not have to make an additional investment to develop new resources and capabilities: they can simply deploy existing resources and capabilities when diversifying into related service areas (Montgomery & Hariharan, 1991; Coff, 1999; Silverman, 1999). Second, they do not have to care much about sunk costs even when the target practice turns out to be a passing fad. Third, they can diversify into the target service without significant loss of organizational identity, accountability, and reliability: To the extent that the required activities and resources for the target service category are congruent with the organization’s existing activities and resources, environmental audiences and stakeholders confer legitimacy to the organization’s decision to adopt that service (Simons & Ingram, 2004).

Thus, the fitness of the existing resource base with the target service category will lower the perceived risks associated with the new service adoption. The role of the resource fitness has been well illustrated in a variety of research settings including market entry, product development, practice adoption, and interunit collaboration (Darnall, 2006; Sanders & Tuschke, 2007; Lin, Yang, & Arya, 2009; Diestre & Rajagopalan, 2011). For example, Diestre and Rajagopalan (2011) found that manufacturing firms tended to diversify into industries in which they could apply their unique chemical-based capabilities. Darnall (2006) showed that organizations having more experience with quality management systems and pollution prevention activities were more likely to implement ISO 14001.

In line with these studies, we propose that a consulting firm offering TQM services is likely to adopt the BPR service category if the firm possesses resources and capabilities supportive of BPR consulting; that is, IT-related service capabilities. The firm may find it easy and beneficial to deploy existing consulting know-how, experience, and human resources to develop BPR consulting. In addition, the firm with rich experience and capabilities in IT consulting can improve its organizational identity as a techno-structural change expert by adopting the BPR service category.

On the other hand, consultants offering TQM services with TQM-related capabilities (e.g., human resource management [HRM] service capabilities) have a strong organizational identity as TQM experts: they might have adopted the TQM service not simply because TQM was in fashion, but
because TQM could be an integral part of their consulting activities. Such consulting firms find it more difficult and less beneficial to diversify into the BPR service area, as the consulting skills, knowledge, and human resources required for BPR are in conflict with existing organizational resources and identity. Thus, it is expected that the extent to which a TQM service provider has TQM-related capabilities will be negatively associated with the adoption of BPR service category.

Hypothesis 1: The likelihood of adopting BPR service category by a consulting firm already offering TQM services increases with the increasing intensity of IT consulting activities.

Hypothesis 2: The likelihood of adopting BPR service category by a consulting firm already offering TQM services declines with the increasing intensity of HRM consulting activities.

Interorganizational influences

Like other kinds of organizations, consulting firms are subject to environmental influences. According to new institutionalism, organizations tend to adopt an organizational practice that has obtained taken-for-granted status in the organizational field (Meyer & Rowan, 1977). In other words, the mere fact that many organizations have adopted a practice becomes a cue legitimizing the practice. Such a legitimation process reduces uncertainty and cognitive barriers, fueling ‘mimetic’ adaptation (Haveman, 1993; Greve, 1996; Rao & Sivakumar, 1999).

However, organizations are not equally vulnerable to environmental influences. According to network theorists, social actors are embedded in the social network structure in which environmental pressures are unevenly distributed (Granovetter, 1978; Strang & Tuma, 1993). Organizations with network ties to many prior adopters are more likely to adopt than those without such ties. Organizations indirectly connected through group affiliation may be also subject to mutual influences (Fligstein, 1985; Palmer, Jennings, & Zhou, 1993; Westphal, Gulati, & Shortell, 1997). For example, several studies have shown that managerial decision making is often influenced by ideas and knowledge that flow through the interlocking network channels (Davis & Greve, 1997; Still & Strang, 2009). As Burt (1987, pp. 1288–1289) put it, ‘merely witnessing alter’s adoption can transmit significant information to ego. He not only becomes aware of the innovation, he also has the benefit of a vicarious trial use.’

Affiliation network plays an important role in the adoption of a consulting service category. Professional associations are places where member consultants meet regularly, exchange information frequently, and find partners for mutual help. Two consulting firms affiliated with the same association may have communication channels, through which information about the new service category and related knowledge can be transferred. A consulting firm’s activities and decisions are more likely to be noticed by other consultants in the same association than by those outside. In addition, as consulting firms participating in the same association are exposed to a similar set of situations, they tend to develop a sense of group identity and shared perspectives concerning management fashion trends. If a TQM service provider participates in professional associations crowded with BPR service providers, such as the American Production and Inventory Control Society and the Threat Management Association, then the firm tends to obtain concrete knowledge about BPR services and develop the belief that BPR is more promising than TQM in the consulting market. Therefore, the firm will be likely to adopt the BPR service category.

To the contrary, it is expected that the affiliation network ties to TQM-offering consultants have a negative effect on the adoption of the BPR service category. If a consulting firm offering TQM services is a member of such TQM-centric associations as the American Society for Quality and the American Society for Training and Development, then the firm will have plenty of opportunities to interact with many other consultants of the same kind. Consequently, this consulting firm is likely to develop organizational identity as a TQM expert, adopt collective beliefs about the supremacy of TQM over
other change management practices, and thereby form an expectation that TQM will stay in fashion for long. Such ‘birds-of-a-feather’ effects arguably shield the consulting firm against the attractive power of the rival management practice.

Hypothesis 3: The likelihood of adopting BPR service category by a consulting firm already offering TQM services increases with the increasing density of BPR-offering consultants in affiliation networks.

Hypothesis 4: The likelihood of adopting BPR service category by a consulting firm already offering TQM services declines with the increasing density of TQM-offering consultants in affiliation networks.

Management fashion dynamics

One of the challenges to management consultants that were already aboard the TQM’s fashion is how to respond to the boom-and-bust cycle of the rival management practice (BPR), especially when the TQM’s popularity began to lose momentum. Some consultants chose to quickly adopt the BPR service category in order to compensate for the declining demand for TQM consulting services. Other consultants decided not to take action until the initial unqualified excitement about BPR had been debunked.

The temporal variation in mechanisms involved in the adoption of an organizational practice was advanced by Tolbert and Zucker (1983) and empirically supported in a number of studies (Baron, Dobbin, & Jennings, 1986; Westphal & Zajac, 1994; Westphal, Gulati, & Shortell, 1997). According to this view, early adoption is driven by technical and economic motivations, whereas late adoption reflects institutional pressures for conformity to the legitimized order: The dubious status of a practice brings technical motivations to the fore, whereas the rule-like status raises institutional concerns.

However, this notion may not be relevant to the case of management fashion at least for two reasons. First, as firms are under strong pressure to quickly jump on the bandwagon, there is actually no ‘trial period’ before the wide diffusion of a management practice in fashion. In other words, a fashionable practice diffuses and acquires the ‘state-of-art’ status shortly after its emergence; namely, before its substantive values are tested. Second, a fashionable practice is never institutionalized. While the practice is initially welcomed as a ‘panacea’ for every organizational problem, it soon gets discredited as a ‘placebo’ or a medicine for certain diseases at the most.

Taken together, the diffusion trajectory appears to be reversed in the case of management fashion, and so does the order of adoption mechanisms. In the early phase of the management fashion cycle when the fashion is in ascendency, bandwagon pressures predominate: organizations follow what others do. In the later phase when the bandwagon effects taper off and qualified evaluations of the practice become available, organizations tend to look inside, taking into consideration whether the fashionable practice has technical, strategic, and managerial values to their core organizational activities.

In the early to mid-1990s, BPR rapidly diffused as a viable alternative to TQM. Numerous management gurus, business journalists, and practitioners criticized ‘Deming’s Frankenstein, the doctrine of Total Quality Management’ for being too bureaucratic, myopic, and short of process focus, turning their eyes to ‘a fresher management theory, BPR’ (Hammer & Champy, 1993; Harari, 1993; Woudhuysen, 1993, p. 10; Greising, 1994). While TQM’s popularity had plateaued and was about to decline, BPR had been crowned the most effective organizational change practice. To those consultants that offered TQM services, this could be an opportunity as well as a threat. As a response, they looked to other consultants such as geographical neighbors and professional association members. The more BPR-offering consultants and the fewer TQM-offering consultants were observed, the stronger the bandwagon effects they were exposed to. Thus, we would argue that these consultants were more likely to adopt BPR consulting, irrespective of their competencies in this area. Competencies might not be a
serious consideration at this stage, because following the herd was urgent in order to reap the growing opportunities as early as possible, and because potential clients, having yet little knowledge about BPR’s contents and required skills, might be unable to make discriminating judgments of management consultants with adequate skills and capabilities (David & Strang, 2006).

As the euphoria for BPR collapsed around the new millennium, the bandwagon effects began to disappear. Clients as well as consultants accumulated trial-and-error experience and obtained concrete knowledge about what BPR was and what it could bring improvement to. Clients wanted to purchase BPR consulting services from competent consultants with related capabilities in such areas as IT and organizational restructuring, but not from ‘fashion addicts’ without those capabilities. Thus, if a management consulting firm had a strong link with BPR-related competencies, the adoption of BPR services would be an opportunity to appeal to increasingly careful clients. A consulting firm that offered TQM services and possessed TQM-related competencies might stay away from BPR, not only because the adoption of the BPR service category was unattractive, but because the adoption might be harmful to its organizational identity. To summarize, we would expect a shift of the adoption mechanism from inter-organizational influences to technical fitness, around the time when BPR’s fashion boom turned to bust.

Hypothesis 5: The effect of consulting service composition (Hypotheses 1 and 2) gets stronger as BPR moves from fashion boom to fashion bust.

Hypothesis 6: The effect of interorganizational influences (Hypotheses 3 and 4) gets weaker as BPR moves from fashion boom to fashion bust.

DATA AND ANALYSIS

Data and analytic strategy

Our hypotheses were tested using data on management consulting firms that offered TQM consulting services in the United States over the period 1992–2004, covering the boom and bust cycle of both TQM and BPR. The key source of longitudinal data was obtained from The Directory of Management Consultants, a comprehensive directory of management consulting firms published by Kennedy Information since 1977. The year 1992 was chosen as the starting point of observation since this was when TQM first appeared in the directory’s service coding scheme. The BPR service category was first listed in the next edition, 1995. Our observation period ends in 2004, because Kennedy Information stopped publishing the directory thereafter.

A caveat is that the directories had been published with varying intervals; triennially before 1995, biennially from 1995 to 2001, and annually after 2001. Particularly, the relatively long interval for the first time period (1992–1995) may provide only a crude picture about the early dynamics of the BPR service adoption. For example, it is impossible to pick out management consulting firms that adopted the BPR service in 1993 and abandoned it in 1994. Hence, the number of BPR service adoptions may be undercounted. However, the problem is less serious than it might appear. First, given the S-shaped pattern of innovation diffusion, we could reasonably assume that few BPR adoptions occurred in the very early part of this period, that is, 1993. Second, since BPR was in its heyday in the early and mid-1990s, few management consultants, once having adopted BPR, would choose to forgo rising business opportunities by abandoning it. This is verified by annual lists of management consulting firms published in the Consultants and Consulting Organizations Directory (Gale publication). Of the 52 consulting firms that reportedly began to offer BPR services somewhere between 1992 and 1995, only one firm stopped offering these services.³

³ While Gale’s directory was published annually during the study period, we do not use the directory as the data source, mainly because the directory provides an incomplete list of management consultants. In addition, the service coding scheme is not systematic, making it difficult to use some of the independent variables for our analyses.
The dependent quantity we are modeling is the rate of BPR adoption by management consultants offering TQM services. The risk set at a given time interval includes all management consulting firms that offered TQM services but did not offer BPR services at time \( t - 1 \). We model the rate with an indicator variable that equates 1 for firms adopting the BPR service category during the given time interval. Since events of service adoption are observed only at a discrete point in time, we used the discrete-time event history method. While there are a variety of discrete-time event history methods such as logit and probit, the complementary log-log model is preferred for two reasons. First, as the complementary log-log model is a discrete analog of the continuous proportional hazards model, it can handle the unequal length of intervals. Second, because the complementary log-log function is asymmetric, the model works well with skewed distribution of outcomes (Prentice & Gloeckler, 1978).

The model takes the following form:

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\log \left( \frac{-\log(1 - P_{it})}{\log(1/0)} \right) = \alpha + \beta X_{it-1},
\]

where \( P_{it} \) is the probability of consultant \( i \) in the risk set adopting the BPR service category during the interval between \( t - 1 \) and \( t \), \( \alpha \) is a constant term, \( \beta \) a coefficient vector, and \( X_{it-1} \) a covariate vector. The random effects model specification procedure was employed to account for unobserved heterogeneity. In all, we identified 478 management consulting firms in the risk set sometime during the observation period, and broke them down into 901 spells in firm-year format. There were 174 adoptions of the BPR service category over the whole observation period. We conducted our analysis using the software package Stata.

**Independent and control variables**

*The intensity of IT consulting activities* is measured by the proportion of IT service subcategories that the consulting firm was offering. The IT category includes 7–19 subcategories such as e-commerce, IT strategy and planning, marketing automation, supply chain management, enterprise resource planning design, and system management. *The intensity of HRM consulting activities* is measured in a similar fashion; the proportion of HRM service subcategories that the consulting firm was offering. There are 8–13 subcategories under the heading of HRM.

Two affiliation network influence measures are included in the model; *the density of TQM-offering consultants in the affiliation network* and *the density of BPR-offering consultants in the affiliation network*. In order to factor out the effect of association membership size, we constructed these measures by calculating the proportion of consulting firms offering TQM (BPR) services out of all member firms for each professional association that the focal firm participated in, and then summing all proportions up. For example, suppose that a consulting firm participated in three professional associations, A, B, and C, each of which had 10, 40, and 70% management consultants offering TQM services, respectively. The density of TQM-offering consultants in the affiliation network for this firm was 1.2 (0.1 + 0.4 + 0.7). The counterpart measure for BPR was calculated in the same fashion.

Some control variables are included. Since the adoption rate may be dependent upon the length of observation interval, *interval length* (1–3 years) is used as a control variable. We also control for *organizational age* and *employment size*, both of which are logged to reduce the skewness. In addition, we control for the effects of *local competition* by including the logged number of consulting firms that offered BPR services in the same city. *The number of service offerings* is controlled. We create this

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4 The other type of model specification, the population averaged type, provides no significant changes.

5 The subcategory coding scheme dramatically changed in the 1999 edition. The 1992–1997 editions have nine subcategories under the heading of IT, but the number of IT subcategories increased to 19. The change in human resource classification system was less dramatic; from 8 to 13.
variable by using the Kennedy Information’s high-level service classification scheme, which includes 11 service categories: general management, administrative service, environmental, finance and accounting, HRM, IT, legal, material management, marketing, manufacturing, and R&D. However, one of the high-level categories, general management, contains rather heterogeneous services such as organizational culture, strategic planning, M&A, and project management. To address this issue, we reclassify 21 general management subcategories into six categories by using the principle component method. Thus, we use 16 service categories in total. Finally, we include the number of service adoptions (except for BPR adoption) for a given period to control for the difference in strategic orientations with regard to market entry.

**RESULTS**

Table 1 presents the descriptive statistics and a correlation matrix for all variables. Table 2 shows the results of the complementary log-log event history models predicting BPR service adoption by TQM-offering consulting firms. The first two columns present the baseline control variable model (model 1) and the full model including independent variables (model 2) for the whole observation period. The last two columns show the models for BPR’s boom (model 3) and its bust (model 4) periods.

The results in the first two columns reveal that the independent variables add significantly to the fit of the full model above the baseline model with a substantial increase in the log-likelihood ($\chi^2 = 27.72$ with 4 df; $p < 0.001$). In addition, the coefficients and statistical significance levels for control variables are stable when independent variables are added. The interval length was positively associated with the BPR service adoption. While organization age has no effect, employment size has a significant and positive effect, implying that consulting firms with more resources tended to expand their consulting service areas. Local competition seems to have been present, as indicated by the significant and negative coefficient of the number of BPR-offering consulting firms within the same city. However, the last two controls, the number of newly adopted services and the number of service offerings, are insignificant.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BPR adoption</td>
<td>0.19</td>
<td>0.39</td>
<td></td>
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<td></td>
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<tr>
<td>2. Interval</td>
<td>1.83</td>
<td>0.75</td>
<td>0.27</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>3. Employment size (logged)</td>
<td>1.83</td>
<td>1.55</td>
<td>0.06</td>
<td>0.04</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4. Age (logged)</td>
<td>2.53</td>
<td>0.77</td>
<td>−0.04</td>
<td>−0.14</td>
<td>0.36</td>
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<td></td>
</tr>
<tr>
<td>5. N of BPR providers (city)</td>
<td>−6.31</td>
<td>4.58</td>
<td>−0.18</td>
<td>−0.26</td>
<td>0.12</td>
<td>0.13</td>
<td></td>
<td></td>
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<tr>
<td>6. N of service adoption</td>
<td>6.79</td>
<td>2.47</td>
<td>0.10</td>
<td>0.35</td>
<td>0.03</td>
<td>−0.11</td>
<td>−0.08</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. N of service offerings</td>
<td>7.72</td>
<td>2.24</td>
<td>0.04</td>
<td>0.15</td>
<td>0.02</td>
<td>−0.00</td>
<td>−0.01</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. IT service intensity</td>
<td>0.05</td>
<td>0.10</td>
<td>0.13</td>
<td>0.18</td>
<td>0.22</td>
<td>0.09</td>
<td>−0.07</td>
<td>0.07</td>
<td>0.05</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. HRM service intensity</td>
<td>0.14</td>
<td>0.16</td>
<td>−0.04</td>
<td>0.25</td>
<td>−0.05</td>
<td>−0.07</td>
<td>−0.02</td>
<td>0.23</td>
<td>0.19</td>
<td>−0.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. TQM density (association)</td>
<td>0.42</td>
<td>0.60</td>
<td>−0.14</td>
<td>0.28</td>
<td>−0.19</td>
<td>0.00</td>
<td>0.17</td>
<td>−0.03</td>
<td>0.04</td>
<td>−0.02</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>11. BPR density (association)</td>
<td>0.34</td>
<td>0.30</td>
<td>0.14</td>
<td>−0.16</td>
<td>−0.23</td>
<td>−0.03</td>
<td>−0.15</td>
<td>−0.01</td>
<td>−0.02</td>
<td>0.01</td>
<td>−0.01</td>
<td>0.34</td>
</tr>
</tbody>
</table>

*Note.* $N = 907$ firm-year spells.

BPR = business process reengineering; HRM = human resource management; IT = information technology; TQM = total quality management.

Coefficients $>0.08$ are significant at $p > .05$; coefficients $>0.11$ are significant $p > .001$. 

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Table 1. Descriptive statistics and correlations
Model 2 adds independent variables to test hypotheses 1–4. Hypothesis 1 expected that TQM service providers with stronger IT consulting activities would be more likely to ‘cross the border.’ This hypothesis is not supported, although the direction is positive as expected. Consistent with Hypothesis 2, however, HRM service intensity had a significant and negative effect on the adoption of the BPR service category. Management consulting firms that offered TQM services along with other services tightly connected to TQM principles had organizational identity as a TQM expert and possessed consulting skills, knowledge, and human resources supportive of TQM services. The results show that they had less intention to adopt the BPR service category than those TQM providers with loose connection to TQM’s core principles. Turning to the hypothesized impact of the affiliation network, we find evidence of a ‘birds-of-a-feather’ phenomenon (Hypotheses 3 and 4). The positive effect of BPR density and the negative effect of TQM density in the affiliation network suggest that TQM-offering consultants were more likely to embrace the BPR service category if they had dense connection with BPR providers and weak connection with TQM providers.

Hypotheses 5 and 6 test whether the patterns of BPR adoption changed during BPR’s fashion cycle. To this end, the whole period was divided into two parts; 1992–1999 and 1999–2004. We used 1999 as the cutoff year, because BPR’s popularity began to drop sharply in the late 1990s (Abrahamson & Eisenman, 2008; Wang, 2008). Model 3 and model 4 present results for the boom and bust periods, respectively. Our results provide strong support for the Hypotheses 5 and 6. Hypothesis 5 predicts that the effect of the supportive consulting service intensity will strengthen as the BPR fashion moves from boom to bust. In support of the hypothesis, the positive effect of IT service intensity strengthened and the negative effect of HRM service intensity became significant over time. Hypothesis 6 is also supported, which predicts that the effect of network influences weakens over time. While BPR density and TQM density in affiliation networks are significant with expected directions in model 3, they lose statistical significance in model 4.

### TABLE 2. MODELS PREDICTING BUSINESS PROCESS REENGINEERING (BPR) SERVICE ADOPTION BY TOTAL QUALITY MANAGEMENT (TQM) SERVICE PROVIDERS

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Interval</td>
<td>0.64*** (0.13)</td>
<td>0.43** (0.15)</td>
<td>0.18 (0.26)</td>
<td>0.03 (0.33)</td>
</tr>
<tr>
<td>Employment size (logged)</td>
<td>0.12* (0.06)</td>
<td>0.14* (0.06)</td>
<td>0.18* (0.07)</td>
<td>0.04 (0.09)</td>
</tr>
<tr>
<td>Age (logged)</td>
<td>−0.04 (0.11)</td>
<td>−0.13 (0.11)</td>
<td>−0.19 (0.12)</td>
<td>0.22 (0.25)</td>
</tr>
<tr>
<td>N of BPR service providers (within city)</td>
<td>−0.09* (0.05)</td>
<td>−0.08** (0.03)</td>
<td>−0.08* (0.03)</td>
<td>−0.07 (0.04)</td>
</tr>
<tr>
<td>N of service adoption</td>
<td>0.01 (0.08)</td>
<td>0.04 (0.08)</td>
<td>0.03 (0.13)</td>
<td>−0.07 (0.10)</td>
</tr>
<tr>
<td>N of service offerings</td>
<td>0.01 (0.08)</td>
<td>0.02 (0.08)</td>
<td>0.06 (0.14)</td>
<td>0.04 (0.10)</td>
</tr>
<tr>
<td>IT service intensity</td>
<td>1.13 (0.73)</td>
<td>0.32 (0.81)</td>
<td>4.28** (1.58)</td>
<td></td>
</tr>
<tr>
<td>HRM service intensity</td>
<td>−1.24* (0.60)</td>
<td>−1.07 (0.58)</td>
<td>−7.00** (2.70)</td>
<td></td>
</tr>
<tr>
<td>BPR density (affiliated associations)</td>
<td>1.11*** (0.31)</td>
<td>1.06*** (0.28)</td>
<td>0.85 (0.63)</td>
<td></td>
</tr>
<tr>
<td>TQM density (affiliated associations)</td>
<td>−0.57** (0.21)</td>
<td>−0.81** (0.32)</td>
<td>−0.25 (0.30)</td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>−3.88*** (0.55)</td>
<td>−3.52*** (0.55)</td>
<td>−2.93* (0.84)</td>
<td>−3.18** (0.99)</td>
</tr>
<tr>
<td>Log-likelihood</td>
<td>−398.42</td>
<td>−384.56</td>
<td>−230.52</td>
<td>−140.93</td>
</tr>
<tr>
<td>Wald $\chi^2$</td>
<td>67.20</td>
<td>87.93</td>
<td>53.53</td>
<td>32.95</td>
</tr>
<tr>
<td>N of spells (N of adoption)</td>
<td>901 (174)</td>
<td>901 (174)</td>
<td>441 (123)</td>
<td>460 (51)</td>
</tr>
</tbody>
</table>

Note. Unstandardized regression coefficients are shown, with standard errors in parentheses. HRM = human resource management; IT = information technology.

*p < .05, **p < .01, ***p < .001 (two-tailed).
In sum, these results suggest that the mechanisms involved in ‘crossing the management fashion border’ shifted as the management practice’s fashion status changed. During the boom period, management consultants follow the herd to cross the border without much consideration of organizational competencies and supportive resources. During the bust period, however, management consultants consider seriously whether they have relevant resources and capabilities.

DISCUSSION AND CONCLUSION

Theoretical contributions and implications

Organizational studies of management fashion have delved deeply into why and how a certain management practice goes in and out of fashion (Abrahamson, 1996; Benders & van Veen, 2001; Strang & Macy, 2001). The ‘jumping on the ship’ thesis has been advanced and supported in many studies. Our research attempted to extend this thesis by examining how actors in the management fashion field behave when there are multiple fashionable practices with diverging underlying logics. By analyzing the adoption of the BPR service category by consulting firms already offering TQM services, this study posed two research questions and attempted to address them.

First, we examined why some management consulting firms chose to exploit the gradually diminishing opportunities in the ‘old-fashioned’ service area, while others crossed the border to explore new opportunities in the alternative service area. Our findings provide some evidence that a consulting firm’s decision making was affected by the extent to which the firm possessed supportive organizational resources and capabilities. Management consulting firms that tightly integrated their TQM services to existing organizational resources and capabilities appeared to be immune to the field-sweeping BPR movement. Consulting firms with weak resource bases for their TQM consulting services but strong capabilities for the alternative fashion trend were more susceptible to that trend, especially after TQM’s fashion boom ended. We also found that consulting firms tended to follow what socially proximate others did: The more TQM providers they met, the more likely they were to stick to the old fashion, and the more BPR providers they met, the more likely they were to jump on the new fashion trend.

The results provide implications for management fashion research, particularly on the evolution of management fashion. Although management fashion is often conceptualized to be a field-sweeping movement, not all organizations give in to such pressures. Therefore, while the evolution of management fashion may look like a smooth process at the macro level, it actually involves much confusion and turbulence at the micro level. Uncertain about which side to stand on, management fashion providers attempt to find sufficient grounds on which to make a seemingly proper decision. Organizational decision making may depend upon the kinds of internal resources and ways of interpreting external signals. Some organizations might resist a new fashion trend because they have already invested heavily in the old-fashioned practice, have strong capabilities for it, and/or have network ties to many colleagues that stick to the old fashion. However, other organizations that find their organizational identity and capabilities more suitable to the new fashion than to the old fashion are more susceptible to the changing fashion trend.

These findings also shed light on the nature of management fashion. Management fads and fashions are often described with such words as transient beliefs, groundless euphoria, and irrational fever. This approach makes some sense, as far as management fashion rhetoric is concerned. Once we turn our attention to the actual organizational world, such descriptions may appear to be somewhat exaggerated ‘rhetoric’ (Yue, 2012; Heusinkveld, Benders, & Hillebrand, 2013). Our analysis suggests that managers and management consultants jump on the bandwagon not simply because it is a fashion, but because they have solid grounds for that decision.
The present study also examined how the patterns of influence changed over the sequential boom and bust course of the two management practices. We found that the initial significance of interorganizational influences was replaced by that of organizational resources and capabilities as BPR’s boom turned to bust. The results suggest a theoretical implication for the behavioral patterns of management consulting firms during periods of changing management fashion. When a new management fashion trend emerges to compete with an old management fashion, management knowledge providers such as consulting firms tend to adopt an outward-looking behavior, quickly moving on to the next-round ‘hot spot’ in order to grab the growing opportunities. Whether or not they have relevant resources and capabilities may not be a primary concern. Instead, an important driver at this stage is the fear of losing the race by jumping on the bandwagon too late. After the bubble bursts, however, management knowledge providers turn to an inward-looking behavior, closely examining whether they have sufficient relevant resources and capabilities to succeed in the diminishing market. These changing behavioral patterns suggest that the knowledge services provided by management consultants become increasingly focused on the core principles of the management practice.

Limitations and future research
The limitations of our study suggest some directions for future research. First, our study focused only on TQM-offering management consulting firms. For a more comprehensive understanding of management fashion dynamics, however, future research must investigate differential responses by consulting firms that offered TQM services and those that did not. Although the responses to an emerging fashion trend might be similar between the two groups, differences are also likely because the two groups probably had different levels of attentiveness to management fashion: consulting firms that had already adopted TQM services tended to be more attentive to changing fashion trends than consulting firms that had stayed distant from TQM’s fashion. In other words, one might expect that TQM providers would be affected more by faddish movement than by capability concerns.

Second, while we studied the adoption of the BPR service category, we ignored the other side of the story; abandonment of the TQM service category. Consulting firms offering TQM services could follow several possible trajectories. For instance, they could abandon TQM services either with or without adopting BPR services. Considering the order of abandonment and adoption generates many more trajectories, each with its own meaning and theoretical implication. Thus, future research must tackle the question of why management fashion providers take different trajectories as a response to the changing fashion trends.

Third, this study was subject to data limitations. As discussed earlier, Kennedy’s directories were published with varying intervals. Most importantly, the relatively long publication intervals for the early part of the observation period may have hindered correct understanding of the early dynamics of the management consulting industry. Although the reference to other data sources showed that the data problem was less serious than initially thought, the need remains for more precise data.

Finally, another sort of data limitation provides a fruitful area for potential improvement. Our data contain information only about the self-reported list of service categories, meaning that we do not have data about actual service provision. Furthermore, the current data do not show how well a management consulting firm integrated its TQM services into existing consulting service activities and organizational capabilities. Because we were unable to directly observe actual consulting activities, we used self-reported service activities to measure the firm’s organizational capabilities and service intensity. Though this measurement strategy sounds plausible, the decoupling theory may reveal a different story (Meyer & Rowan, 1977). The self-reported service categories may have no relationship with actual service activities. In addition, a strong technical base does not always imply a tight coupling
between consulting activities and existing organizational capabilities. For example, some management consulting firms with intensive HRM capabilities may have adopted TQM services merely for ceremonial, symbolic, or marketing value. By introducing the decoupling issue to management fashion, future research can deepen our understanding of how management consulting firms respond to high uncertainty in the management fashion field.

CONCLUSION

This study extended the ‘jumping on the ship’ thesis to circumstances where two competing management fashion trends seek supremacy in the management knowledge industry, proposing the ‘crossing the border’ thesis as an alternative. Our analysis of who crosses the management fashion border indicates that while faddish pressures and technical considerations are both important drivers for the organizational adaptation to changing management fashion trends, their significance changes over time: faddishness is a powerful force when a new practice gets in fashion, whereas technical concerns become salient after the hype is over.

These findings should also have relevance to managerial decision making. Like management consultants, managers seeking to take first-mover advantage may be easily swayed by the wind of management fashion. The rise of a new management fashion trend can create the fear that their organizations are falling behind the current development of management practices and thus losing the lead to their competitors. Such fear may induce managers to turn to management consulting services in order to quickly jump on the bandwagon. This may be certainly attractive, but potentially dangerous. Our study provides evidence that management consultants tend to enter a newly emerging service market without sufficient consideration of their own service capabilities and technical resources. Such consideration comes up only after the fashion boom begins to wane. During the fashion boom period, therefore, managers should choose their management consultant carefully and maintain significant vigilance to ensure that they ‘separate the wheat from the chaff,’ thereby choosing a consultant with strong technical capability and service quality. Otherwise, the first-mover advantage may not really be an advantage at all.

In conclusion, this study has increased our knowledge about the decision-making processes in the management fashion field and the management knowledge industry during times of management fashion transition. Consistent with prior research, we found that the management fashion field does not evolve in a vacuum. On the one hand, it evolves through continuous interactions among management gurus, mass media, knowledge providers, and knowledge consuming organizations. On the other hand, the evolution is shaped by interdependent relationships between multiple fashionable practices and knowledge providers’ responses to them. The latter point is our main contribution, because one cannot gain a richer understanding of the evolution of management fashion without also considering how knowledge providers interpret and react to changing management fashion trends. We hope that this study will encourage researchers to pay more attention to such considerations.

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References


Crossing the management fashion border


