

The Rise of Management Consulting in Britain. *By Michael Ferguson.* Aldershot, U.K.: Ashgate, 2002. x + 289. Index, notes, bibliography, tables. Cloth, \$84.95. ISBN 0-754-60561-2.

Reviewed by David J. Jeremy

A comprehensive overview and analysis of the development of management consultancy in Britain is long overdue. This volume, originally a doctoral dissertation at the Open University, brings together many of the threads of a relatively elusive topic. The book's first five chapters are chronological and take the survey to the end of the Second World War. Five more, commencing in 1945, are thematic. A final chapter offers a chronologically organized summary.

Examples of management consulting in Britain can be found among the engineers of the industrial revolution, later among accountants. Specialized consultants did not emerge until the late nineteenth century. The First World War, and the pursuit of production efficiency, gave a major fillip to the function of management consultancy, though no estimates of numbers of consultants are available. At war's end, the first partnership to use "consultancy" in its title was set up by E. T. Elbourne and Harry Brindley.

However, Ferguson identifies the beginnings of organized management consultancy in Britain with the formation in 1926 of British Bedaux Ltd., a subsidiary of the American firm, Charles E. Bedaux & Co. Charles Bedaux, whose rise and fall is well known, dominated the British market for management consultancy in the late 1920s and early 1930s. With his "B" Unit, Bedaux claimed to be able to measure the amount of effort and rest required per unit of time by any production task, thereby allowing productivity to be linked to wages. The system swept through many of the larger firms in British industry, approaching 250 by 1939, according to Craig Littler (in a conference paper written in 1981). By 1939 the Bedaux firm (renamed Associated Industrial Consultants in 1938, to distance itself from its pro-Nazi founder) faced competition from three major players founded by British consultants: Harold Whitehead & Staff; Production Engineering; and Urwick Orr & Partners. While these were initially

production oriented, a fourth firm, Personnel Administration, was launched in 1943 under the pressures of war to expand employee training.

The profession in Britain grew from five major firms and their 250 consultants in 1945 to over 2,000 consultants, many smaller firms, and the same big firms in 1965. In 1945 their activities largely comprised production engineering, training, support for government departments, and miscellaneous business services. At century's end, the 40,000 management consultants in Britain had very different activities: operations management; human resource management; corporate strategy; and information technology. After the 1960s, the original "Big Four" firms lost market share to the leading accounting partnerships that were then diversifying and globalizing.

Moving into his thematic chapters, Ferguson looks more closely at some of the broad subjects that he identified earlier. The chapter on improving productive performance covers professional recognition, firm-level and economy-level productivity improvements, the expansion of accountancy firms into management consultancy, and Japanese production methods. The material spanned in the chapter on management education and training is less novel than the contents of the chapters detailing the shift from efficiency engineering to strategy and outlining the impact of information technology. Tabulated data from the Management Consultancies Association shows management consultants' aggregated revenue from various types of activity. A chapter on the international and global aspects of management consultancy offers useful signposts to an important development.

As an introductory survey, Ferguson's work meets a need. It does not, however, probe numerous interesting questions. How far did management consultants succeed in raising industrial productivity? A series of firm-level case studies might have allowed him to test the estimate, made in 1963 (which he cites) by J. Johnston of Manchester University, that by increasing the current 2,000 consultants to 82,000, U.K. productivity would increase by 0.7 percent. To what extent, and how, were firms of management consultants displaced after 1965 by the staffs and graduates of British business schools? A good example of this trend is recorded in Andrew Pettigrew's *Awakening Giant* (1985), not cited by Ferguson. Little is said about the backgrounds of the consultants themselves. When did university graduates exceed industry recruits? Again, how did the

structures of the accounting-firm consultancies compare with those of the older management consultancies? When, in the 1980s and 1990s, the privatization of Britain's nationalized industries vastly increased the market for management consultants, why did accountancy partnerships (apparently) eclipse the old management consultancies? What about the changing public image of management consultants?

Other weaknesses mar Ferguson's otherwise useful narrative account. Largely reliant on in-house histories of the major British management-consultancy firms and company publications, he has apparently neglected the Bedaux archive (twenty-seven reels of microfilm). American contexts and connections could have been more fully explored. For example, while he acknowledges Herbert Casson as a significant North American efficiency expert (who emigrated to Britain in 1914), Ferguson does not cite his autobiography. The index is minimal. Neither at the doctoral stage nor during publication has sufficient editorial intervention been administered: the book is a laborious read.

David J. Jeremy is professor of business history at Manchester Metropolitan University Business School. He has written and edited books in the areas of business history and the history of technology. His most recent work (edited with Douglas A. Farnie), The Fibre that Shaped the World: The Cotton Industry in International Perspective, 1600–1990s, will be published in 2004.