WHEN FASHION IS FLEETING:
BOOM-BUST DYNAMICS IN TQM CONSULTING

This paper considers supply side dynamics in fashionable markets. We argue and show that firms that are structurally and strategically well positioned to respond to new opportunities exploit service niches during the fashion boom, while firms with high competitive fitness predominate during the bust. Our results support an extension of arguments about niche width and organizational capabilities to temporal forms of resource partitioning within markets, and suggest that the response of consultants to popular organizational practices works to reinforce the fleeting character of managerial fashion.

Faddish Markets

While some industries face stable patterns of demand, others experience roller coaster rides. Volatile markets challenge suppliers to recognize and act on opportunities before it is too late. They also provide a valuable chance for organizational scholars to observe population dynamics that may be difficult to discern in less transient environments. What sorts of firms exploit the boom? And who remains after the party is over? The problem of how organizations exploit fleeting opportunities is a fundamentally ecological one, with links to theories of competitive dynamics, location within market spaces, and community succession. But most ecological research has focused on modeling population dynamics by observing long-term patterns of founding and failure rather than short-term adjustment to changing circumstances. Here, we follow landmark studies by Mitchell (1989) and Haveman (1992) in seeking to apply ecological arguments to market dynamics under volatile conditions, and test these ideas in a study of total quality management (TQM) consulting.

The particular type of volatility considered here is a faddish cycle, where a management practice’s popularity rises quickly to a high level and then abruptly drops. Recent theoretical work has sought to model such cycles by identifying generating mechanisms like bandwagoning and success story bias (Abrahamson, 1991, 1996; Strang and Macy, 2001). We take the identification of a faddish cycle as a starting point, and investigate how supply-side organizations respond to first skyrocketing and then collapsing patterns of demand. As Abrahamson and

1 We thank Heather Haveman, Paul Ingram, and Anand Swaminathan for helpful comments.
Fairchild (2001) noted, management consulting firms are an important group of “fashion-suppliers” that have received little empirical attention.

Arguments about niche dynamics in faddish environments start with accounts of the nature of these environments. We thus begin by describing the faddish cycle of total quality management within the North American business community. We then develop and test hypotheses about the TQM consulting niche, and conclude by considering the implications of these analyses.

The Faddish Cycle of Total Quality Management

Core principles of total quality management (TQM) include customer focus, reduction of variability, continuous improvement, and employee participation (see Cole, 1999, for a detailed description). Operational elements generally include individual quality training, the formation of cross-functional teams for process improvement, the development of quality partnerships with suppliers, and senior management-led quality councils. TQM thus features both a “technical” side centered on statistical analysis of large volume processes and a “behavioral” side stressing teamwork, employee empowerment and culture change.

The notion of “Company-Wide Quality Control” emerged in Japan in the late 1960s as leading firms and quality professionals sought ways to integrate multiple quality efforts. In the late 1980s, a variety of factors supported a growing focus on “TQM” as a named organizational practice. One was the decline of quality circles, which left not only a fad gap (Abrahamson and Fairchild, 1999) but a mature practitioner population that was ready to move on to bigger things. In addition, renewed attention to Japan was spurred by perceptions of an expanding competitive threat --- in 1989 the gap between Japanese and US growth rates was larger than it had been in a decade.

Given a well primed pump, interactions within the corporate business community led to a full-fledged boom. Success stories in leading corporations like Corning and DuPont began to appear in the business press, and laudatory pieces made bold claims like:

“Once in a generation, perhaps, something happens that profoundly changes the world and how we look at it...We became convinced that total quality was a profound and powerful idea that was changing the business world... companies are successful when they apply total quality to the processes that are key in their businesses, regardless of difficulty” (Gilks, 1990: 17-19).

Moreover, as large numbers of firms discovered that TQM would help preserve major contracts (such as in defense and aeronautics), vast opportunities for TQM consulting appeared almost overnight.

Figure 1 shows trends in attention within the business community, giving annual counts of ABI/Inform indexed articles whose titles include the terms “total quality management” or “TQM” (shown by the “all publications” curve). While the 1980s featured sporadic and disconnected references to various “total quality” initiatives, the first sustained discussion

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2 There is some debate over whether the approach embodied in TQM developed in Japan or was invented in the United States, exported to Japan and then re-imported to the US. While we would argue for the primacy of Japanese corporations over American gurus, the question of historical origins is not at issue in this paper.
surrounding TQM (which appears to have been independently invented on multiple occasions) arises in 1989, primarily in aeronautics and other defense-centered industries (11 of 13 articles). Attention to TQM expands rapidly from this base, reaching a peak of 387 articles in 1993 before declining steadily through the latter part of the 1990s. We note that this pattern of discourse fits that identified by Abrahamson (1996) in his discussion of management fashions.

The phase of “irrational exuberance” did not last long, and by 1992 criticism and debate began to replace unqualified advocacy. In the mid 1990s, TQM was widely discussed but controversial. Heated debate subsided after 1996 as discussion shifted towards a more scholarly examination of TQM. Figure 1 captures some of this movement by separating the TQM discourse into specialized discourse, defined as TQM articles appearing in outlets that include “quality control” or “quality management” in the publication title, and non-specialized discourse (i.e., within the wider field of management). There was little of the former type during TQM’s upswing, when the great majority of communications were aimed at managers. But after the peak, specialized discussions form an increasingly large share of TQM discourse as a whole, as articles aimed at general audiences declined in favor of communications among quality professionals (and similarly, in articles written by academics for academics). The emotional frenzy had evaporated, and with it the bulk of managerial interest. In 1997, the Bain Survey found that TQM’s reputation had fallen from 2nd to 13th place on a list of management techniques.

**Hypotheses**

**Niche Width**

Niche width theories provide a useful approach to studying population dynamics (Hannan and Freeman, 1977; Brittain and Freeman, 1980; Carroll, 1985). Much ecological analysis
contends that generalists dominate in rapidly changing environments because they are able to do well under a variety of conditions, while specialists dominate stable environments to which they are optimized (Brittain and Freeman 1980; Freeman and Hannan 1983; Hannan and Freeman, 1989: 118). This general argument can be extended to our context, where the issue is not static but dynamic fitness --- the capacity to adapt to new environments by modifying organizational activities (e.g., Dobrev, Kim, and Carroll, 2003).

First, we argue that the internal diversity possessed by generalists allows them to respond to rapidly-rising demand by recombining in-house resources. For example, TQM consulting calls for skills in managerial development, team formation, and process improvement. A generalist consultant is likely to find it already possesses many of the building blocks needed to provide TQM, allowing it to enter the niche quickly at relatively low cost.

Generalists are also likely to have accumulated “entry routines” and behavioral inertia which would predispose them to seek out new opportunities (Levitt and March, 1988; Miller, 1990; Sorensen, McEvily, and Roy, 2002). Most generalists are firms that were founded as specialists but subsequently entered multiple product markets. As surviving practitioners of this strategy, they typically possess organizational routines facilitating market entry (involving personnel training, marketing, and the like) and a predisposition towards further diversification (see Kelly and Amburgey [1991] and Amburgey and Miner [1992] on strategic momentum). The converse holds for specialists, which have resisted entering new markets in the past, and so have developed neither the routines nor the strategic inclinations to do so.

Finally, the identities of generalists and specialists reinforce these strategic inclinations. In a field like management consulting, generalists often position themselves as “one stop shops” that offer clients a wide range of services. As their clients come to expect this, generalists risk losing credibility if they fail to keep up with the times. By contrast, specialists rely on claims of deep expertise in one or a few areas. They risk accusations of opportunism if they offer services disconnected from their core activities.

On the other hand, specialists are well suited to compete under difficult – but relatively stable – conditions. A key source of comparative advantage is the specialist’s ability to tailor its services to the needs of particular clients. It provides more nuanced, differentiated applications. For example, a consulting firm focused on aeronautics could develop TQM programs tailored to that industry, while a consultant specializing in corporate culture would be well positioned to address the cultural conflicts that some TQM adopters experience. The generalist’s breadth of expertise militates against the provision of tailored services. Moreover, generalists often seek economies of scale by offering similar products to a large number of clients (Carroll, 1985; Carroll and Swaminathan, 2000). Indeed, generalists in the consulting industry are often accused of providing superficial, “one size fits all” remedies and template applications (Micklethwait and Wooldridge 1996; O’Shea and Madigan 1997).

A faddish cycle provides an opportunity to examine these insights further. We reason that the boom period should attract generalists, who are drawn to the high premia that can be charged and whose speed in adding a new service is vital. As the boom moves to bust, we expect generalists to find the niche less attractive, and thus to be more likely to abandon it, as demand subsides and clients seek tailored applications. Specialists, by contrast, should dominate the bust phase, when time is no longer of the essence but competition is intense and buyers more discerning. They should be more likely to enter the niche, and less likely to exit it, during this period.
One might assume that generalists would dominate early and specialists late in all markets, whether faddish or not. But consider the converse of a faddish cycle, where demand is initially sluggish and rises only gradually as demand grows (for lack of a better term, we could call this an “endogenously evolving” market). Where there is no large pool of resources early on, there is little impetus for generalists to enter, and the “heavy lifting” of building product recognition and reputation may be done primarily by specialists. Generalists may enter such markets late, perhaps when demand jumps because the product has received institutional support or because effective technologies have been standardized. At this stage, moreover, they would be better equipped than specialists to reap economies of scale by offering a more standardized product to a wide customer base.

Finally, we should note the link between the arguments offered here and models of resource partitioning (Carroll, 1985; Swaminathan, 1995; Carroll and Swaminathan, 2000). Resource partitioning posits that generalists compete with each other for the resource-rich “center” of a market, and that the intensity of this competition creates opportunities for specialists to occupy the market’s periphery. Our account of market dynamics in faddish environments comes to similar conclusions, but locates these interactions in time rather than in space: generalists dominate the resource-rich “boom period,” while specialists occupy the temporal periphery after the frenzy subsides.

**Hypothesis 1:** During the boom phase of a management fashion, generalists are more likely than specialists to offer associated consulting services.

**Hypothesis 2:** During the bust phase of a management fashion, specialists will increasingly replace generalists in offering associated consulting services.

**Related Capabilities**

But firms are not all equally “close” to niches within a broader market --- some possess key resources that others lack. Since our emphasis is on niche-specific factors, we discuss the same fundamental idea under the heading of “related capabilities” --- physical, human, or organizational assets that are relevant to a niche, and at the same time costly to obtain.

Some work finds that related resources are associated with rapid entry to a new niche. For example, Fuentelsaz, Gomez, and Polo (2002) show that geographic proximity speeds expansion into new regions, while Mitchell (1989) shows that marketing expertise is associated with early movement into diagnostic imaging. Moreover, Haveman (1992) found that organizations that enter new niches requiring similar capabilities to their existing activities displayed better performance than those that expanded into unrelated areas. Consistent with these findings, we expect that firms possessing related capabilities are more likely to participate in a niche than firms lacking these capabilities.

When markets are driven by faddish cycles, however, we expect the impact of related capabilities to increase over time. Early on, the demand-side urgency and inexperience of buyers that marks the boom of a faddish cycle (Abrahamson, 1991, 1996) signals windfall profits for all sorts of providers --- those blessed with related capabilities, but also those possessing no apparent comparative advantage. As Zbaracki (1998) found, the discourse surrounding management fashions during the boom is replete with rhetorical excesses and ambiguous, overly-optimistic claims. Idealism dominates “hard,” technical concerns over implementation. The key in these types of markets is not necessarily to have the best or most robust product, but to exploit demand...
before it dries up or competition intensifies. Thus, we expect the boom period of a management fashion to attract not only consultants with related capabilities, but also many that lack such expertise.

As a market matures, however, the potential gains available to firms that lack related capabilities decline sharply. In the post-boom market, discourse becomes more negative, less emotional, and more carefully reasoned (Abrahamson and Fairchild, 1999: 729). Urgency and idealism dissipate. Clients are more experienced, know-how is more widely available in the form of books, training courses, and in-house staff, and providers face stiff competition as demand dries up. The lack of related capabilities would stand out in greater relief in this environment than during the boom, and firms without them would find it difficult to compete for discerning buyers. In this period, we would expect consultants lacking related technical capabilities to be less likely to enter, and more likely to exit, the associated service niche.

While one might assume that this pattern might hold in all markets, we again note that endogenously evolving markets are likely to generate different dynamics. When entering firms have to make their own market, only those with appropriate capabilities are likely to accept the costs and risks of early product development, and then only if first mover advantages exist (Lieberman and Montgomery, 1988; Schoenecker and Cooper, 1998). Firms lacking related capabilities tend to enter such markets late, if at all, once others have resolved technical uncertainties and built a customer base.

Hypothesis 3: During both the boom and bust, consultants with capabilities related to a fashionable management practice are more likely than those that lack these capabilities to offer associated consulting services.

Hypothesis 4: The gap in market participation between consultants with and without related capabilities grows as a fashionable management practice moves from boom to bust.

Data and Methods

As explained above, we examine these contentions in the context of TQM consultants. TQM represents one of many services – or niches – within the larger management consulting industry. The leading source of data on the industry is Kennedy Information, a specialized firm that produces directories, newsletters, and industry reports. Kennedy Information’s Directory of Management Consultants provides both the longest standing reference on management consulting and the only directory that obtains firm-level data from formal surveys of the consulting firms themselves. The first edition was published in 1977, with subsequent editions appearing in 1979, 1982, 1985, 1989, 1992, 1995, 1997, 1999, and 2001. Entries include the name, location, founding date, number of employees, affiliations to industry and professional associations, and service offerings (in preset categories) for each consulting firm. TQM is included as a service offering beginning in 1992. From 1992 to 2001, Kennedy directories contain 8626 records on 3403 firms. These do not include 497 records that contained missing data. Of these, 421 did not provide any information on the consulting services of listed firms (including whether they offered TQM or not), while the remaining 76 lacked data on one or more other covariates.
We construct the binary variable $TQM$ firm to indicate that a firm offers TQM services. For example, if a firm lists TQM as one of its service offerings in the 1992 directory, $TQM$ firm is set to 1 for that year’s record. If it no longer lists TQM in the 1995 directory, $TQM$ firm is given a value of 0 for that year. Figure 2 graphs the number of firms in the TQM consulting niche over time. Density rises through 1995, and then declines to a moderate level towards the end of the decade.\(^4\)

Niche width refers to the diversity of resources that firms draw upon (Hannan and Freeman, 1977; Carroll, 1985). Accordingly, we identify specialists and generalists by the breadth of consulting services they offer. In the Kennedy Directory, services are grouped into ten high-level categories: general management, manufacturing, human resources, marketing, finance and accounting, materials management, research and development, office management, information technology, and other.\(^5\) Using this information, we create a variable called generalist, which takes on a value of one for firms offering

\(^4\) Because the Kennedy Directory only includes a category for TQM services starting in 1992, we miss the very early part of the niche’s existence. Given the pattern of TQM discourse shown in Figure 1, however, we expect a defined TQM niche to have emerged sometime after 1989 and to have grown quite rapidly. Indeed, the fact that Kennedy did not include TQM as a service in 1989 itself suggest that the niche was not distinct within the consulting industry at that time.

\(^5\) TQM is listed as a subcategory under “other” from 1992 to 1997, and under “general management” in 1999 and 2001.
more than three of the ten services, and zero otherwise. In order to test for robustness of our results to this measure, we also create a continuous measure of generalism, *total services*, which is a count (ranging from one to ten) of the service categories. This measurement strategy accords with Baum and Singh (1994), who defined the niche width of daycare organizations according to the range of ages of children served, and Dobrev et al. (2001), who measured the range of engine capacity in the model portfolio of automobile makers.

We develop three measures of related capabilities. We understand TQM to be historically rooted in the analysis of large-scale manufacturing processes, and as integrating a “technical” side based on quality control with a “behavioral” emphasis on team formation and employee development. Three binary indicators of related capabilities are taken from the Kennedy Directories: *manufacturing expertise* (equaling one if the firm provides manufacturing advisory services), *quality control expertise* (equaling one if the firm is affiliated with the American Society for Quality), and *organization development expertise* (equaling one if the firm is affiliated with the American Society for Training and Development).

Analyses control for the consulting firm’s age and size. *Organizational age* is measured as the number of years since founding, as reported in the Kennedy directory. Since directories give the number of employees in ranges (1-3, 4-10, 11-25, 26-100, and over 100 employees), we create a series of binary indicators of *organizational size* corresponding to each category. Table 1 gives descriptive statistics and correlations for these variables.

**Statistical Methods**

Our analytic strategy is shaped by the intermittent character of data on consulting firms, where we have snapshots of the consulting niche at discrete points in time but do not know the exact timing of events. This structure is characteristic of most (perhaps all) longitudinal data on organizations, but appears in sharp relief here because we can resolve events not to the day, month, or even year, but to a 2 or 3 year period. Binned data prevents us from considering some interesting ecological processes. For example, while it would be desirable to study entry or exit from the niche, our spells of two to three years preclude a causal analysis. Similarly, we do not test for density dependence processes, because this requires fine grained information on the timing of events. Finally, we are poorly placed to investigate other dynamics that occur over small time scales, such as localized imitation and learning (Haveman, 1993). Instead, our focus is on the firm-level characteristics of the TQM niche over the lifecycle of the management fashion.

Analyses employ a logit model that predicts the likelihood of offering TQM based on our explanatory and control variables at discrete points in time. Models take the form:

$$\log\left[\frac{p_{it}}{(1 - p_{it})}\right] = \alpha_i + \beta_i X_i$$

where $p_{it}$ is the probability that firm $i$ offers TQM consulting at time $t$, $X_i$ is a vector of covariates describing firm $i$ at time $t$, $\beta_i$ is the corresponding vector of coefficients, and $\alpha_i$ is a constant. As discussed below, coefficients may be given a relative risk interpretation as multiplying the likelihood of offering TQM by a constant amount for a given shift in covariate values.

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6 The ASQ (formerly the American Society for Quality Control, or ASQC) and ASTD are the leading professional societies in the quality and organizational development and training areas, with over 100,000 and 70,000 members respectively.
Table 1. Descriptive Statistics and Correlations

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>S.D.</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. Age</td>
<td>16.889</td>
<td>13.673</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2. Size 1-3</td>
<td>0.414</td>
<td>0.493</td>
<td>-.23***</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>3. Size 4-10</td>
<td>0.275</td>
<td>0.447</td>
<td>-.06***</td>
<td>-.52***</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Size 11-25</td>
<td>0.138</td>
<td>0.344</td>
<td>.02</td>
<td>-.34***</td>
<td>-.24***</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Size 26-100</td>
<td>0.101</td>
<td>0.301</td>
<td>.12***</td>
<td>-.28***</td>
<td>-.21***</td>
<td>-.13***</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6. Size over 100</td>
<td>0.071</td>
<td>0.256</td>
<td>.38***</td>
<td>-.23***</td>
<td>-.17***</td>
<td>-.11***</td>
<td>-.09***</td>
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<tr>
<td>7. Org. Development</td>
<td>0.067</td>
<td>0.249</td>
<td>-.02</td>
<td>-.01</td>
<td>.00</td>
<td>.03**</td>
<td>.01</td>
<td>-.04***</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Quality Control</td>
<td>0.052</td>
<td>0.222</td>
<td>-.04***</td>
<td>.01</td>
<td>-.00</td>
<td>-.00</td>
<td>.03</td>
<td>-.04***</td>
<td>.08***</td>
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<tr>
<td>9. Manufacturing</td>
<td>0.304</td>
<td>0.460</td>
<td>.06***</td>
<td>-.03**</td>
<td>-.01</td>
<td>.02*</td>
<td>.02</td>
<td>-.02*</td>
<td>-.07***</td>
<td>.22***</td>
<td></td>
<td></td>
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<tr>
<td>10. Generalist</td>
<td>0.435</td>
<td>0.496</td>
<td>-.08***</td>
<td>.00</td>
<td>.05***</td>
<td>.05***</td>
<td>.02*</td>
<td>.01</td>
<td>.06***</td>
<td>.46***</td>
<td></td>
<td></td>
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<tr>
<td>11. TQM firm</td>
<td>0.125</td>
<td>0.331</td>
<td>-.05***</td>
<td>-.00</td>
<td>.00</td>
<td>-.01</td>
<td>.03**</td>
<td>-.02</td>
<td>-.05***</td>
<td>.40***</td>
<td>.19***</td>
<td>.11***</td>
</tr>
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</table>

* p<0.05  
** p<0.01  
*** p<0.001  

N = 8626.
Table 2. Logistic regression analyses of the probability that a consulting firm will offer TQM

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1 All Years</th>
<th>Model 2 1992</th>
<th>Model 3 1995</th>
<th>Model 4 1997</th>
<th>Model 5 1999</th>
<th>Model 6 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-2.298***</td>
<td>-1.930***</td>
<td>-1.640***</td>
<td>-2.559***</td>
<td>-2.169***</td>
<td>-2.975***</td>
</tr>
<tr>
<td>Age</td>
<td>-0.016***</td>
<td>-0.007</td>
<td>-0.012*</td>
<td>-0.017*</td>
<td>-0.036***</td>
<td>-0.011</td>
</tr>
<tr>
<td>Size 1-3</td>
<td>-0.217</td>
<td>-0.700</td>
<td>-0.987**</td>
<td>-0.110</td>
<td>0.009</td>
<td>0.218</td>
</tr>
<tr>
<td>Size 4-10</td>
<td>-0.171</td>
<td>-0.701</td>
<td>-0.480</td>
<td>-0.152</td>
<td>0.103</td>
<td>0.057</td>
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<tr>
<td>Size 11-25</td>
<td>-0.310</td>
<td>-0.605</td>
<td>-0.654</td>
<td>0.014</td>
<td>0.244</td>
<td>0.105</td>
</tr>
<tr>
<td>Size 26-100</td>
<td>-0.000</td>
<td>-0.211</td>
<td>-0.525</td>
<td>-0.033</td>
<td>0.392</td>
<td>0.326</td>
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<tr>
<td>Organizational Development</td>
<td>0.745***</td>
<td>1.482***</td>
<td>0.929**</td>
<td>0.521</td>
<td>0.613*</td>
<td>0.605*</td>
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<tr>
<td>Quality Control</td>
<td>2.753***</td>
<td>2.188***</td>
<td>2.566***</td>
<td>2.967***</td>
<td>3.017***</td>
<td>2.979***</td>
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<tr>
<td>Manufacturing</td>
<td>0.706***</td>
<td>0.555**</td>
<td>0.407**</td>
<td>0.738***</td>
<td>0.988***</td>
<td>1.307***</td>
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<tr>
<td>Generalist</td>
<td>0.337***</td>
<td>0.463*</td>
<td>0.983***</td>
<td>0.546**</td>
<td>-0.486*</td>
<td>-0.841***</td>
</tr>
<tr>
<td>N</td>
<td>8626</td>
<td>1453</td>
<td>1596</td>
<td>1630</td>
<td>1805</td>
<td>2142</td>
</tr>
<tr>
<td>-2 Log L</td>
<td>5473</td>
<td>977</td>
<td>1310</td>
<td>995</td>
<td>1009</td>
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<td>1049</td>
<td>103</td>
<td>196</td>
<td>273</td>
<td>305</td>
<td>312</td>
</tr>
</tbody>
</table>

* p<0.05  
** p<0.01  
*** p<0.001
Results

We begin by examining TQM firms over the full 1992-2001 period (i.e., with all years combined). Model 1 in Table 2 gives the effects of organization-level variables on the likelihood of offering TQM services.

While our arguments refer primarily to shifts over time, it is clear empirically that generalists are more likely than specialists to offer TQM services when all years are taken together (the coefficient for generalist is 0.337 with p< 0.001). This may suggest the overall volatility of the TQM niche (consistent with Freeman and Hannan 1983; Lambkin 1988), or perhaps simply the numerical dominance of generalists in the early era. Model 1 also shows that consultants with related capabilities – training and development, quality control, and manufacturing – are more likely to offer TQM services with all periods taken together, as expected (Hypothesis 3). The effect of quality control expertise is particularly large, with consultants affiliated with the ASQ estimated to have a likelihood of offering TQM about exp(2.753) = 15.7 times larger than firms lacking a connection to the national quality control association.8 Effects of manufacturing and organizational development expertise are also significant (multiplying the likelihood by 2.03 and 2.11, respectively, in Model 1).

Analysis of all years combined, however, masks shifts that take place over time. Models 2 through 6 examine this temporal variation. The most dramatic shift is in the niche width of TQM firms. In the first three periods, niche width is positively associated with offering TQM. In 1992, for example, generalists were 1.59 times more likely than specialists to be in the niche. This effect peaks in 1995, at 2.67. The effect reverses by 1999, and even more strongly by 2001, when TQM firms are significantly more likely to be specialists. This trajectory supports the proposition that generalist consulting firms dominate the fashion boom, while specialists prefer the post-boom period (Hypotheses 1 and 2).

The one departure from expectations is that the switch in sign from generalist to specialist occurs rather late, in 1999 rather than 1995 or 1997 (right after the peak in TQM discourse). This might be caused by a lag between environmental change and organizational responses, or a lag in data reporting. Alternatively, media attention might provide a leading indicator of where the business community is going, rather than a contemporaneous indicator of current levels of organizational activity.

For these and all other models, we explored the robustness of relationships to the measure of generalism. As explained above, we initially coded firms that offered between one and three service categories as specialists and those that offered four or more as generalists. We then tried altering our cutoff for generalists to three or more services. Next, we defined an intermediate category of firms called “limited generalists,” such that specialists were coded as offering one or two services, limited generalists as offering between three and six services, and generalists as offering more than six. Finally, we defined a continuous variable (ranging from one to ten) that measured the total number of service categories in which firms were active. In all cases, results were substantively unchanged from those reported in Table 2.

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8 Because we are using a logit model, an exponentiated coefficient of a dummy variable can be interpreted as a ratio of the probability of offering TQM when the variable equals one and the probability of offering TQM when the variable is zero, with all other variables controlled (Allison, 1999).
Trends in the effects of two related capabilities are also in line with predictions. First, the impact of quality control expertise rises consistently over time. In 1992, firms affiliated with ASQ are \( \exp(2.188) = 8.9 \) times more likely to offer TQM than not; by 2001, however, this value increases to 19.7. Second, the effect of manufacturing expertise increases in magnitude after the boom period, to 3.7 in 2001. Thus, as TQM moves from boom to bust, firms in the niche become increasingly likely to have these related capabilities (Hypothesis 4).

By contrast, the impact of training and development expertise (as measured by an ASTD tie) moves in the opposite direction, with a stronger effect during the boom than the bust. This is surprising, since an emphasis on group processes, participation, and career development is arguably as central to TQM as is quality control. It may be that the “behavioral” component of total quality efforts becomes deemphasized or moved in-house over time. Alternatively, consulting firms with human resource expertise may be particularly quick to move to newly fashionable practices, and may move on as a fashion wanes.

It is also instructive to examine the actual contents of the TQM niche. Figure 3 plots the proportion of firms in the niche that are generalists, have quality control expertise, and have manufacturing expertise (i.e., variables with statistically-significant regression results). The change over time in the percentage of generalists in the niche is striking, from almost 80% in 1995 to only 36% in 2001. Meanwhile, the percentage of firms with quality control expertise rises from 12% in 1992 to 42% in 2001. The percentage of firms with manufacturing expertise rises from 45% in 1992 to a plateau of close to 60% from 1997 to 2001. These results paint a clear picture of niche dynamics: as the niche moves from boom to bust, it becomes increasingly populated by specialists and firms with “hard,” technical capabilities.
Discussion

We argue that the upside of a faddish cycle provides a rich resource opportunity, where many naive buyers chase service providers. We find that generalists are particularly likely to take advantage of this opportunity, exploiting the market while the hype is still credible. Specialists are less able to rapidly enlarge their capacities, and instead dominate the “after fad” market when only an able and focused provider can find a buyer. We further find that possession of related capabilities (in the case of TQM, manufacturing and quality control expertise) has a larger impact in the post-boom phase of the fashion.

These results paint an interesting picture of the supply-side of the management fashion market. The boom period is characterized by what Abrahamson and Fairchild (1999:730) called “surfers,” who exploit fashions and stick with them only as long as they are popular. By contrast, the bust period is characterized by “sustainers” – specialists and firms possessing technical capabilities – who keep fashions alive after they have faded from the spotlight. There is thus a form of resource partitioning within management consulting, one which occurs through differential market participation over time rather than across market segments.

Beyond its role as a site for studying population dynamics, analysis of the consulting community contributes a novel perspective on the evolution of faddish cycles. First, consultant demographics and media discourse suggest different views of the trajectory of a faddish cycle, at least for the case of TQM. Discourse on organizational practices tends to be almost symmetrical.
around a sharp peak (see Figure 1; also Abrahamson and Fairchild, 1999). Symmetry is even more evident if we look only at articles intended for non-practitioners (Figure 1). By contrast, consultant demographics take the form of a rise to a peak followed by a drop to a plateau. While the up-phase in this distribution roughly mirrors that for discourse, the decline is slower and bottoms out at a relatively high level – see Figure 2, where density is higher in the late 1990s (well after the peak) than it is in 1992 (shortly before the peak). It seems, therefore, that supplying organizations provide a more durable repository for formerly-fashionable management practices than does media discourse.

The contrast in the two trajectories may provide insight into what happens after the boom. Fashion surfers may treat ex-fashions as beneath their contempt, with ongoing discourse limited to academics and practitioners. But this silence camouflages continuing though reduced levels of activity, as firms maintain programs and return to external consultants to improve or fix problems left during the earlier frenzy. The difference is that the firms that “pick up the pieces” are different than those that exploited the fashion in the first place. Indeed, much of the criticism leveled at prominent consulting firms (who tend to be generalists) concerns the fact that they do not stick around long enough to deal with the “tough but mundane” problems surrounding implementation, monitoring, and incremental improvement. These issues, it seems, are left to a different group of firms, which tend to be specialists with technical capabilities.

Second, much diffusion research argues that “rational” adoption linked to organizational requirements is replaced by “institutionally mandated” adoption once a practice is socially legitimated (Tolbert and Zucker, 1983). In fact, Westphal et al. (1997) apply and extend this model for the case of TQM. They find that early adopters (hospitals acting in 1989-91) develop customized practices that increase productivity while later adopters (in 1992-93) develop conforming implementations that have symbolic but not efficiency benefits (see also Zbaracki, 1998). Patterns within the TQM niche, however, indicate that Westphal et al. (1997) may have captured the middle rather than the last chapter. The dominance of consultant generalists and firms without technical capabilities that we find during the boom is consistent with Westphal et al.’s portrait of late adoption as symbolic and conformist. But the post-boom dominance of specialists drawn from TQM’s quality control and manufacturing roots suggests that implementation patterns may have shifted once again. These sorts of firms seem much more likely to deepen and tailor programs than to offer “one size fits all” remedies.

One way to understand this is to view both institutionalization and its effects as reversible. In the early 1990s TQM was widely celebrated, linked to the policies of central and prestigious organizations, and apparently well on the way to becoming embedded in taken-for-granted understandings of how to manage. One possible future outcome could have been – as an institutional approach might predict – an increasingly symbolic trajectory for the practice. A few years later, however, TQM had lost credibility and largely disappeared from public discourse. At this stage, total disappearance from the “supply side” may have been a possible outcome. Instead, when its incipient institutionalization was halted, TQM appears to have returned to its more technical foundations.

References


