AN EMPIRICAL STUDY OF CONSULTING IN A TRANSITIONAL ECONOMY IN THE CENTRAL EUROPEAN REGION DURING COVID-19

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ABSTRACT

The consulting industry has been affected in many ways by the global pandemic. According to a leading international literature source (consultancy.org), the decline is most noticeable in Europe. In our article, we present the general recent trends of the global management consulting industry, and then outline the results of our survey conducted among Hungarian consultants. Our team surveyed the extent and direction in which consulting companies have been affected by the pandemic. Although some of the respondents reported rather negative effects, the survey finds that a significant proportion of respondents consider the emerging crisis as an opportunity and not only as a threat.

Keywords: Consulting, Covid-19, pandemic, crisis, negative effects

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INTRODUCTION

In recent decades, the global consulting market has grown into a multi-billion-dollar industry (Consultancy, 2020). It has grown not only in terms of revenue and global extension, but it also has gone through several cycles of

professionalization, making it one of the most advanced segments of the professional service industry. Prior to the onset of the pandemic crisis, the industry's growth rate was estimated at around 4% per annum by international research and analytical firms (Source Global Research, FEACO, ALM Intelligence, IBIS). Although growth dynamics vary widely across countries and regions, double-digit growth is not uncommon in this field. The experiences of the recent years show that consulting is able to sustain growth even in times of crisis, thanks to the diversity of client sectors. Some clients turn to a consultant during a crisis as well as in booming market period. There is nothing new under the sun. The economy is characterized by cyclicality, in which growth and recession are constantly alternating. In 2019, however, this did not happen. The world was hit by a crisis for reasons outside the economy. The rapid spread of the Sars COVID-19 virus resulted in measures that have not been experienced for 100 years. Preserving human health and stopping the spread of the virus took precedence over economic and other interests; no one knew what economic effects to expect. The first estimates in the first half of 2020 were about huge setbacks. Even for the consulting sector, analysts predicted a decline in the range of 6 to 20% (Consultancy.uk 2020, Source Global Research 2020). Businesswire (2021) noted that "a crisis here, a crisis there is good for the global consulting business," however, the current crisis does not affect each customer segment in the same way. The pandemic has brought growth for many sectors, including pharmacology, informatics, computer sales, web applications and webshops, but at the same time, many industries have been forced to transform, modernize, or digitize workflows and information channels. The current crisis seems to be accelerating digitization, which was already characterized by large-scale growth. The appreciation of personal hygiene and health preservation also is greatly contributing to the proliferation of solutions to avoid personal contact in an increasing number of areas.

The introduction and operation of innovative projects, new technologies and other innovations will continue to mean new assignments for consultants. The outlined trends are also expected to significantly rearrange the distribution among the sub-areas of consulting. This research project shows the impact of the pandemic on the consulting market in Hungary in 2020.

LITERATURE REVIEW

Management consulting

Management consulting belongs to the category of knowledge-intensive business services, or KIBS (Miles 2005, 2008; Toivonen 2004, Nordenflycht 2010, Kipping & Clark 2012). The KIBS industry is made up of private companies and organizations that rely heavily on expertise, typically engaging in some technical or functional area through the required lack of knowledge or expertise, thereby creating knowledge-based products and services (Lemus &Aguilar 2015; Muller & Zenker 2001). Management consulting is provided to organizations and their leaders by external consultants to help organizations achieve their goals, identify, and solve problems, identify new opportunities, acquire the necessary skills, and implement change (Kubr, 1996, Hertog, 2000).

The emergence of consulting services

Management consulting as a business service appeared for the first time during the Second Industrial Revolution in the United States (Poór et al., 2016). With the advent of mass production and the growing size of companies, the need for business expertise that helped to organize people and work efficiently and effectively increased (Ruef, 2002). The first representatives of scientific management are considered to be the forerunners of corporate consulting, and this direction has defined the first period of management consulting for nearly 80 years (Kipping & Clark, 2012).

In the approximately 150 years since its inception, management consulting has spread globally. One reason for this is that, along with their clients, consulting firms have also grown into huge corporate empires and have usually followed their clients to foreign markets where the profession has become established over time. This factor has been greatly amplified by globalization and regional integrations. Another significant circumstance that has contributed to the global spread of management consulting has been competitive economic growth and the externalization of management knowledge (O'Mahoney, 2011). Along with trade liberalization, protectionist measures appeared.

The competitiveness of a national economy depends heavily on the international competitiveness of domestic businesses. The government can support the development of domestic businesses through subsidies (financial and expert) to help them expand and to enter foreign markets. National consulting associations have been formed, mostly by the initiative of the government or in accordance with its conscious efforts (the Dutch consulting association in 1940, the Japanese in 1942, the German in 1954). They play important roles in organizing the profession. setting professional standards, registering, and certifying the professionals, organizing events, etc. If a government wishes to support domestic small businesses, it introduces programs for them that make consultants available for free or at a low cost. The implementation of such programs takes place through effective cooperation with national consultancy associations.

For a long time, consulting has been a privilege for Americans and Western Europeans. Japanese companies used advisors first to support their foreign expansion, however, it should also be borne in mind that in Japan, for example, efficiency improvement (e.g., kaizen) and quality work, for example. (TQM) has a great tradition, which has been greatly helped by central and corporate tools. Today, the situation has changed significantly. Local and foreign advisors are starting to integrate into the everyday life of Japanese companies. In other parts of Asia, consulting is in an initial phase, but the number of newly formed advisory companies is growing very fast (Lee, 2020). The largest is the Japanese and Korean consulting market, followed by China and Mongolia, and the third largest is Southeast and Southern Asia (Consultancy, 2018c).

The increase in the complexity of corporate and institutional management knowledge has also contributed greatly to the growing demand for consulting (Engwall and Kipping, 2002).

Prior to the pandemic, the large-scale penetration (e.g. acquisition) of IT companies into the consulting industry brought significant change (Poulfelt & Olson, 2017)

Consulting Market Size

Relatively many books and studies deal with the interpretation, history, and characteristics of different consultancy services (Kipping& Clark, 2012). Far fewer publications provide accurate, detailed, and comprehensive information on the industry's trends and quantitative data. Management consulting is a relatively young industry (as a business service it appeared during the second industrial revolution) with a growth curve that is still on the rise. The estimated size of the global market was 3 billion dollars in 1980 (Bergh - Gibbons, 2011), which increased to 150 billion dollars by 2005 and $ 240 billion dollar by 2015 (Barthélemy, 2019). The data show that five countries, (United States, Canada, France, United Kingdoms, and Germany,) own 70 percent of the world's estimated annual consulting income. This is partly due to the fact that the global business of consulting firms in these countries is very significant (Sturdy and O'Mahoney, 2018).

It should be emphasized, however, that the data on the size of the consulting market are only estimates. Up to the present, there is no credible source that can provide relevant information on the actual size of the industry. International research and analytics firms estimate the size of the global consulting market to be between 160-600 billion dollars (IBISWorld 2019, Consultancy.uk 2018, Source Global Research 2019).

Situation of management consulting in Hungary

The development of management science and consulting in Hungary - similarly to other social sciences, e.g. sociology and psychology – has been broken into two periods in its history. During the pre-World War II period, the domestic consulting movement followed mainly the German patterns. One of its special highlights was the administrative rationalization activity started by Magyary (1942). The development of the consulting business was greatly hindered by the adoption of post-war views in the Soviet Union (Berend, 1999) that management and organization as independent disciplines were completely unnecessary. In the early 1950s, a number of institutions created during the post-1945 democratic transformation to facilitate corporate management and plant organization ceased to exist. This tragic situation improved only slightly after 1968, when the first sectoral organizing and research institutes were established. In the early 1970s, this profession began to develop again. In addition to the sectoral organizing and research institutes, the number of external and internal consultants - at

that time plant and work organizers - increased significantly on the basis of various binding government decisions. These state consulting organizations, partly out of compulsion, rather ambiguously combined the state guidelines of the socialist planned economy with the rational aspects of business known from the capitalist market economy.

The Hungarian management consulting market developed in line with that of other countries in the CEE (Central Eastern European) region. About 13% of the region's consulting revenue is generated in Hungary, another 42% in Poland (where the population is almost four times bigger than in Hungary), 8% in Slovakia, 19% in Romania and 18% in the Czech Republic (Global Research, 2017, Consultancy, 2018b). The maturity and development of the Hungarian management consulting industry is also represented by the fact that consulting in Hungary has become an academic discipline taught at several universities, including Budapest Metropolitan University, Budapest Business School, Szent István University, and Sopron University. The Hungarian Association of Management Consultants (VTMSZ=HAMC) was established in 1990, in cooperation with 23 consulting companies, and has been active and successful to this day.

Prior to the regime change in the early 1990s, plant and work organization meant management consulting, which already had domestic specialists at that time. It is no coincidence that almost immediately after the regime change, transnational consulting firms settling in the region preferred to choose Budapest to establish their Eastern European headquarters (Poór & Milovecz, 2011).

The Hungarian market is quite fragmented in terms of the number of actors; in addition to global management consulting companies (such as Accenture, KPMG, IBM, Cap Gemini, Aon Hewitt and others), there are medium-sized Hungarian and foreign companies (e.g. IFUA Horváth and Partner, T-Systems, AAM Management and IT Consulting Inc. and others), individual (freelance) consultants, and small consulting companies as well as hardware and software manufacturers and system integrators that provide services in areas close to IT, such as building IT networks, implementing improvements, selling licenses, etc. such as HP, SAP, Microsoft, or Oracle. Accordingly, it can be said that the actors in the Hungarian consulting market serve client organizations in three well-separated areas. One such area is IT consulting, which helps the clients create and manage their technical, and IT infrastructure. Another major area is business consulting, which provides expert support in corporate strategy, HR & change management, and other business areas. The third area is business process outsourcing (Vicze, 2014). The development of the Hungarian consulting sector over the past 30 years has been similar to that of the European. The three most important customer sectors are, accordingly, financial services, the public sector, and telecommunications. In this context, it can also be said that similar to the European market, the Hungarian market was strongly affected by the 2008 economic crisis (Csapó, 2021). The consulting industry developed relatively undiminished since the regime change up to the 2007/2008 downturn. In that year, the annual turnover of the Hungarian industry, which employed almost 4,500 consultants, reached 346 million euros (Milovecz, 2010). This value decreased in the wake of the subsequent crisis years and then started to increase again from 2013 and reached 400 million euros in 2018 (Consultancy, 2018a; Gonda, 2017). During the pre-COVID-19 period, the industry was characterized by a 10 percent increase. In terms of consulting, the big question is whether the current pandemic can slow down the dynamic growth.

Consulting during the pandemic

The consulting industry has already been significantly affected in many ways by the global pandemic. IBISWorld 2020 and consultancy.uk 2020 estimated that global consulting revenue fell by 17.5% in 2020 compared to the previous year; the decline was most significant in Europe (-22%) and in the US (-18%).

Nearly three-quarters of global consulting takes place in North American and European countries. Based on the reported study, Europe experienced the largest decline as a result of the pandemic (Pressemitteilung, 2020). Given that the spread of the virus got out of control in several European countries, this is not the best news. However, an increasingly professional approach to controlling the virus and the emergence of effective vaccines against it could

greatly improve the situation.

The situation appears to be returning to normal relatively quickly.

Analysts predict rapid 8-9% per year growth for the consulting industry in the coming years (2021-2025). Experts agree that the most common reasons for this expected growth are fast economic growth, expected new investments, and globalization (The Business Research Company, 2021).

METHODOLOGY

Our research team conducted an empirical survey between 10 November and 10 December 2020. Participation in the survey was voluntary and free of charge, and the data has been kept confidential. The questionnaire was completed online and was a single-respondent survey, meaning that there was only one respondent from each participating consulting organization. This is one-driver research in which we examine the effects of COVID-19 on the Hungarian consulting industry (Sturdy & O'Mahoney, 2018). Our main goal was to examine the effects of the pandemic situation on the consulting industry in Hungary.

The questionnaire consisted of four major sections. The first section asked about the characteristics of the consulting organization: most important service area(s); size of the organization (in the case of complex large companies we only considered the size of the consulting business in Hungary); form of ownership; year of establishment in Hungary; and position of respondent. The second section analyzed the development of sales revenue, the number of employees and the services of the examined consulting organizations. The third section analyzed the effects of COVID-19 on workers in the organizations surveyed. The final section researched the development of the projects already contracted and planned, the extent to which COVID-19 affected the work of consultants, and whether or not a pandemic created a consulting opportunity.

The data collected by the questionnaires were evaluated using statistical methods using the Statistical Package for Social Sciences (SPSS version 26). To accept or reject our hypotheses, we also performed statistical analyzes of several variables. This included cross-tabulation analysis (Chi-square test) and analysis of variance (ANOVA). Multivariate statistical methods are used to examine the relationship between several variables. In the method of analysis of variance, we examined the relationships between the dependent and the independent variables. We used the one-way analysis of variance, i.e., the ONE-WAY ANOVA, to examine the correlation. Using this method, the results show the degree of variance of the dependent variable at different levels of the independent variable (Huzsvai & Vincze, 2012, Sajtos &Mitev, 2007; Malhotra & Simon 2008).

At the time of the previous crisis in 2008, criticisms of professional service providers were mostly expressed in their failure to predict it. Furthermore, why did they not do everything they could to avoid such a crisis (Arnold, 2009). The main focus of our current research is to investigate the impact of COVID-19 and to focus on the demand-side towards consulting organizations (Sturdy & O'Mahoney, 2018).

Before evaluating the responses to consultation and research on the economic impacts of COVID-19, we formulated the following hypotheses (Allen, 2017).

- *Hypothesis 1: Some areas of advisory activities were positively affected by the situation due to the COVID-19 pandemic in terms of revenue, budget, and headcount change.*
- *Hypothesis 2: Bigger (over 50 employees) organizations were less affected by the pandemic crisis than small organizations (less than 50 employees).*
- *Hypothesis 3: Despite the precarious situation, a significant number of consultants see the emerging crisis as an opportunity.*
- *Hypothesis 4: Foreign-owned (non-Hungarian) consultancy organizations have been more negatively affected by the effects of the COVID-19 pandemic, but they also see an opportunity in the current situation.*

To test these hypotheses, we performed statistical analyses of the data and evaluation of the results obtained, using the model shown in Figure 1.

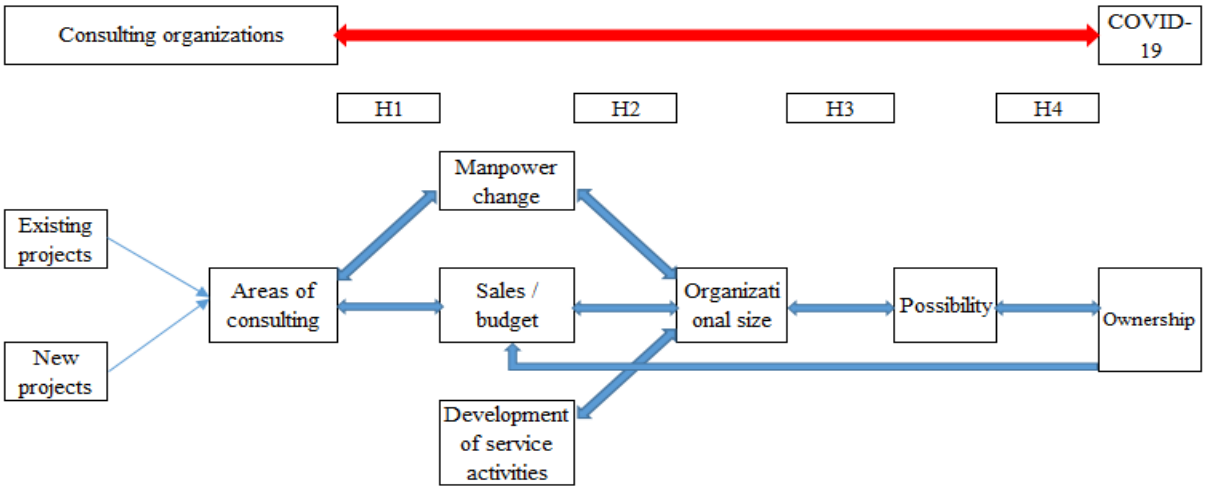

Figure 1: Graphical model of empirical research
Source: author's work

RESULTS

About the sample

The questionnaire was sent to more than 1,000 consulting organizations and completed by 261 respondents. According to the definition of almost half of the respondents, micro-consulting enterprises can be classified into the category; most of these organizations (50.7%) operate with 1-9 employees. Small and medium-sized (SME) enterprises make up about one third (31.0%) of the respondents in the sample, and the share of organizations employing more than 250 people is 18.1%.

The largest proportion of respondents came from domestically owned private enterprises, with a share of 64.5% in the sample. The share of foreign or jointly owned private companies is nearly one-third of the sample (29.3%). Public sector organizations are included in the survey in the smallest proportion (6.2%).

Our respondents include organizations of different ages in approximately the same proportion, in the following order (by the year they were founded): 2006-2010 (20.5%), 2001-2005 (16.2%), 1996-2000 (16.2%), 1990-1995 (15.7%), before 1990 (11.0%), 2011-2015 (11.0%), and after 2015 (9.4%).We were not sure if there would be differences in their responses, but collected that information so we could verify if such differences existed.

Statistical hypotheses testing

1. Hypothesis - Some sub-areas of consulting are positively affected by the situation due to the COVID-19 pandemic in terms of turnover, budget, and headcount change.

Based on our hypothesis, the situation caused by the COVID-19 pandemic did not always lead to a negative outcome and economic downturn, but some areas of consulting reacted positively to the situation.

In our research, we asked several consulting areas and in the analysis of the obtained results we used a total of 8 large consulting areas and examined the correlations between each area and sales, budget, and headcount change.

Our statistical analyzes were performed based on these specific facts, in which the 8 areas of consulting indicated are the dependent variables, while sales and headcount changes are the independent variables. Our 8 main advisory groups were:

1. Strategy
2. Operation and production, Process development
3. Sales and marketing
4. Finance and risk management
5. People and Change, Education and Training, Selection
6. Informatics, Technology
7. Organization Development
8. Management research and other

Our defined independent variables therefore are the 8 areas of advice, based on questions 11

and 12, where in question 11 we saw the changes seen in previously contracted projects, while in question 12 we looked within at the planned new projects. Thus, for both questions, we examined the variables on the development of sales revenue and headcount changes. In our analysis, one-way analysis of variance was performed. Table 1 shows the 8 consulting areas by the independent variable for question 11 in relation to previously contracted projects. Our dependent variable in this case is the revenue and budget researched in question 7.

Before explaining the results in more detail, it should be mentioned that the specified conditions were met. The condition of variance homogeneity was met (Levene $p = 0.567 > 0.05$), so the variances within the groups were the same. Furthermore, the values of the analysis for normality (Kolmogorov-Smirnov $p = 0.200 > 0{,}05$) also confirmed that the specified conditions were met.

Revenue - previously contracted projects

In our case we used one-way analysis of variance (ANOVA) for our dependent and independent variables ($p < 0.05$).

In the case of previously planned projects, we have established a relationship between the area in question and the turnover in the two consulting areas. One such area of consulting is Strategy, where the significance value is 0.025, and the other such area is Technology, Informatics, with a value of 0.008. For the remaining 6 areas (Operation and Production, Sales and Marketing, Finance and Risk Management, People and Change – Education and Training, Organization Development, Management Research and other), the significance value exceeds 0.05, so in our case we cannot talk about the relationship with sales revenue.

In the following analysis, our dependent variable remained the issue of sales revenue and budget, but in this case, we use our independent variables – consulting areas – in connection with the planned new projects, again using ANOVA.

In connection with the planned new projects, we have observed a relationship in terms of revenue or budget in several areas. In the case of Strategy the significance value is 0.003, in the case of Operation and Production, process development, the value is 0.012, in the case of Finance and Risk Analysis 0.022, and in the case of Organization Development the significance value is 0.026. Therefore, we can establish that a relationship showing some areas of consulting are positively impacted on the revenue side by the effects of the COVID-19 pandemic. Thus, for 4 of the 8 main areas of consulting there is a relationship, while for the areas Sales and Marketing, People and Change – Education and Training, Technology-Informatics and Management Research, the significance values show that there is no relationship because the significance value exceeds the expected value of 0.05.

After the analysis of our independent variables (consulting areas) and our dependent variables (sales), in the following analyzes our dependent variables are given by the change in the number of employees based on the data obtained in question 8.

In the following, the analyses carried out for the previously contracted projects were performed for our two variables. In this case, too, ANOVA analyses of variance were performed for each sub-area and headcount change. Based on the significance values, we can state that there is a relationship between the change in the number of employees and the area of consulting only in the case of one consulting area. This area was Organization Development with a significance value of 0.003. Therefore, in this case there is a relationship between the dependent and independent variables. For the remaining 7 areas, the values are not significant as they exceed 0.05.

After examining previously contracted projects, we looked at this relationship between our dependent and independent variables for planned future projects. Based on the results, we can state that a significant relationship prevails in the case of Organization Development, as its significance level is 0.014, which is less than 0.05. In the case of the additional consulting area, no significant connection can be found in connection with the planned new projects.

Hypothesis 2 – Bigger (over 50 people) consulting organizations were less affected by the pandemic crisis than small (less than 50 people) organizations.

To validate or lose our hypothesis, we examined each organization in terms of several variables by comparing their size. The first such variable is based on the estimated sales revenue of the organizations. We used cross-tabulation

analysis for our statistical analysis. The cross-tabulation shows two questions, where the estimated turnover and budget of the organization in 2020 are in line, while the size of the responding organizations is based on the number of employees.

In our analysis, a total of 195 organizations met the criteria and we were able to analyze the responses of these organizations. The total number of organizations with sizes over 50 was 59, and based on their responses, 22 organizations will have similar sales revenue as in 2019 and 12 organizations are expected to grow by as much as 10% or more. Thus, more than half of the large organizations have a positive outlook in terms of revenue and budget. If we examine the organizations with less than 50 people, then in the case of 136 organizations a positive trend can also be observed in 76 organizations, i.e. revenue developed or even increased similarly to the previous year. Of the 195 organizations surveyed, 85 expect a decline of around 10 percent or even stronger.

After presenting the results of the crosstab, we need to examine whether the variables are related and, if so, how and to what extent. In our case, Pearson's Chi-square test gives the answer to our two variables. The observed value of the indicator was 31,420, which was examined at the Asymp. Sig - 2-sided bilateral significance level of 0.000; there is a significant correlation between the two variables because p <0.05. The probability ratio is 36,071, the significance level is also 0.000, so it is similar to the Chi-square, and based on this, the relationship between the size of the organization and the 2020 revenue/budget is also significant.

We also used additional symmetric indicators such as Phi, Cramer's V, and contingency coefficients (0.401; 0.401, and 0.373). The indicators all reflect significant results, so they are applicable, and the analysis is reliable based on the expected values. The positive value obtained on the basis of the Gamma index shows a significant relationship between the two variables in the positive direction of 0.356.

The next variable we used in the analysis was headcount change. The cross-tabulation analyses performed on this variable were based on the size of the organizations. We can observe that in the majority of large (over 50) and small (under 50) organizations, the number of staff is not expected to change. In 10 of the surveyed organizations, a reduction of more than 20 percent is expected - in 3 cases in a large organization and in 7 cases in a small organization.

Aware of the results, it is necessary to examine whether our variables are related in our case and, if so, how and to what extent. In this case, too, the Pearson chi-square test already used was used. The value of the indicator is 14,294 and the degree of freedom d is 4. The assay was tested at a significance level of 0.006 Asymp. Sig - 2 sided. There is a significant correlation between the two variables because p <0.05, so the obtained significance level of 0.006 is lower than the significance level of 0.05 (5 percent) we chose.

In our case we also used symmetric indicators. The indicators all reflect significant results, so they are applicable, and the analysis is reliable based on the expected values. The Phi, Cramer s V index, and contingency coefficient also reflect a significance level of 0.006, so our variables are significant. The value of Gamma shows a negative value with its value of -0.042 and based on this there is a significant negative relationship between the two variables.

Change in service activity

The last variable of our hypothesis was based on question 9 – the development of service activity in the economic situation caused by COVID-19. In this case, too, crosstab analysis provides the best solution for the analysis of our variables, so we used this method.

In the following, we outline the results obtained on the development of the expected service activity in both large and small companies. In the case of large organizations, i.e. with 50 or more employees, almost 30 out of the 59 organizations surveyed expected to experience a slight or strong decrease in service activity, 20 are not expected to change, and a further 10 organizations expect to see a smaller or stronger increase. In the case of the 136 small organizations examined, it is expected that the service activities of 64 organizations will decrease to a greater or lesser extent, and in the case of 45 organizations, there will be no change, while in 27 organizations, there will be an increase to a lesser or greater extent.

Table 1: Cross-tabulation analysis (Size of organizations and evolution of service activity based on the economic situation caused by COVID-19)

			Development of service activity in the economic situation caused by COVID-19					Total
			It decreased sharply (above 20%)	Slightly reduced	Unchanged	It grew slightly	It increased strongly (above 20%)	
Size of responding organization - number of employees	Under 50	Count	54	22	35	15	10	136
		Expected Count	41.1	23.0	44.6	16.7	10.5	136.0
	50 and over	Count	5	14	29	9	5	59
		Expected Count	17.9	11	19.4	7.3	4.5	59.0
Total		Count	59	10	64	24	15	195
		Expected Count	59.0	33.0	64.0	24.0	15.0	195.0

Source: Source: author's work

Even after the analysis on the third variable, we need to examine whether there are correlations between our variables. The most suitable method for this will be the Chi-square test, especially the Pearson method. The observed value of the indicator is 20,953, which was examined at the Asymp. Sig - 2 sided - bilateral significance level of 0.000. There is a significant correlation between the two variables because p <0.05, so the obtained significance level of 0.000 is lower than the significance level of 0.05 (5 percent) we chose.

Table 2: Symmetric indicators - Phi, Cramer's V, Gamma

		Value	Asym. Std. Error	Approx. Tb	Approx. Sig.
Nominal by Nominal	Phi	0.328	-	-	0.000
	Cramer's V	0.328	-	-	0.000
	Contingency Coefficient	0.311	-	-	0.000
Ordinal by Ordinal	Gamma	0.403	0.092	4.067	0.000
N of Valid Cases		195	-	-	-

Source: author's work

Hypothesis 3 - Despite the precarious situation, a significant number of advisors see the emerging crisis as an opportunity (based on question 13)

We use a total of 172 real cases to analyze our hypothesis, where we examined how much each organization sees as an opportunity in the coronavirus crisis. The organizations in question were divided into two groups based on the size of the organizations - organizations with less than 50 employees and organizations with 50 or more than 50 employees.

As a basis for our hypothesis, we indicated that a significant part of the consultants, despite the

precarious situation, also see the emerging crisis as an opportunity.

In the following, an analysis of variance was performed using the ANOVA method. The conditions of variance homogeneity (Levene p = 0,685 > 0,05) and normality (Kolmogorov-Smirnov p = 0.305 > 0.05) were met, so the analysis is reliable and can be performed. Based on the results of the ANOVA analysis, we can see that there is a significant relationship between the size of the responding organizations and the opportunity provided by the consultants, as the significance level is 0.007, which is less than 0.05.

Hypothesis 4 - Foreign-owned consulting organizations were more negatively affected by the effects of the COVID-19 pandemic, but in the current situation they also see an opportunity

To confirm or lose our hypothesis, we performed several analyses based on the form of organizational ownership. The first variable we used was the estimated revenue or budget. For statistical analysis, we first used cross-tabulation analysis.

The cross-tabulation shows the two questions used, where the estimated 2020 sales and budget of the organizations are in the row, while the ownership of the responding organizations is in the column. The form of ownership of the organizations was divided into two parts - domestically and foreign or mixed-owned organizations.

Aware of the results, it is necessary to examine whether our variables are related in our case and, if so, how and to what extent. In this case, too, the Pearson chi-square test already used was used. The value of the indicator is 2.165 and the degree of freedom d is 4. The study was tested at a significance level of 0.705 Asymp. Sig - 2 sided - on both sides. Thus, there is no significant correlation between the two variables because p is greater than 0.05, so the resulting significance level of 0.705 is greater than the significance level of 0.05 (5 percent) we selected.

Additional symmetric indicators support the results already reported, i.e., there is no significant correlation between our variables.

To substantiate our hypothesis, we used an additional variable where we examined whether there is a relationship between organizational ownership and opportunities. That is, organizations see this opportunity in the current situation and, if so, to what extent it affects domestic or foreign and mixed-owned organizations.

The conditions of variance homogeneity (Levene p = 0.852 > 0.05) and normality (Kolmogorov-Smirnov p = 0.195 > 0.05) were met. To determine this, the Levene statistical method was used, where the significance obtained was 0.025. These factors therefore project that the analysis is reliable and feasible.

In the following, an analysis of variance was performed using the ANOVA method. Based on the results of the ANOVA, we can conclude that there is a significant relationship between the size of the responding organizations and the opportunity provided by the consultants, as the significance level is 0.007, which is less than 0.05.

Table 3: ANOVA analysis of variance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	24.769	1	24.769	7.592	.007
Within Groups	554.649	170	3.263		
Total	579.419	171			

Source: author's work

After the performed analyses, the identified four hypotheses were evaluated and in Table 4 we have summarized which hypotheses are accepted and which hypotheses are only partially confirmed (none are fully rejected), and what the characteristics of each hypothesis based on the defined variables are.

Table 4: Summary of hypotheses

Hypotheses	Acceptance of hypothesis	Notes
Hypothesis 1	Partially confirmed	New projects: There is a significant relationship between several variables - Strategy, Finance, Operations, Organization Development
		Previous projects -Significant relationship in Strategy, Technology and Organization Development
Hypothesis 2	Accepted	There is a significant correlation between the three variables - sales revenue, headcount change, service provider activity
Hypothesis 3	Accepted	There is a significant correlation between the variables
Hypothesis 4	Partially confirmed	No significant correlation between sales revenue and form of ownership
		There is a significant correlation between the issue of ownership and economic opportunity

Source: author's work

DISCUSSION AND CONCLUSIONS

Hypothesis 1 stated: Some sub-areas of consulting are positively affected by the situation due to the COVID-19 pandemic in terms of revenue, budget, and headcount change. The analysis of variance performed in connection with previous projects in the fields of Strategy, Technology and Informatics and Organization Development showed a significant relationship. In connection with the new projects, a significant relationship was also determined in our analyses in the areas of Strategy and Organization Development and in the areas of Finance, Risk Management and Operation and Production, and Process Development. Our reported findings are consistent with the experience of other foreign studies. For consulting firms, the online capabilities of this business area have in many cases ensured the maintenance of previous business relationships. New tasks in public and private sectors (e.g., crisis management, establishment and operation of operational strains, digitization, etc.) have all allowed for new assignments (GLG, 2020; Hurl & Werner, 2021). The clients of the consultants were in many cases faced with unusual situations. This situation provides a number of new engagement opportunities for consultants (e.g., strategy, process reorganization, etc.) (Tata, 2020; Kamming, 2021). For the additional consulting area, the criteria were not met, so we take them off. Based on the analyses, we accept our Hypothesis 1 in part where there was a relationship and in part because there were areas where there was no significant relationship.

Hypothesis 2 – large (over 50 people) organizations were less affected by the pandemic crisis than small (less than 50 people) organizations – is accepted based on statistical analyses (cross-tabulation analyses, Chi-square test, symmetric indicators) Various other studies have indicated similar trends for consultants 'clients (McKinsey, 2022). SMEs face very serious problems without adequate public support to get the consulting help they need (Shafi, Liu & Ren, 2020).

We accept our Hypothesis 3 according to

which a significant part of the consultants, despite the uncertain situation, see the emerging crisis as an opportunity (based on question 13), as the results of the ANOVA analysis show that there is a significant relationship between the size and the option provided by the consultants, so the criteria were met. Well-known experts all agree that there is a chance of recovery and renewal in major crises (Morris, 2014; Harari, 2021).

Hypothesis 4, that foreign-owned consulting organizations were more negatively affected by the effects of the COVID-19 pandemic than domestic firms, was especially true for the first wave. Consulting is a profession in which the presence of consultants at the client is very important (Donthu & Gustafson, 2020). For international consulting firms, this is compounded by the large number of trips abroad, the possibility of which was significantly reduced by the first wave. These companies later eliminated and resolved the problems in other ways (e.g., using advanced online technologies) with their significant financial resources. But seeing an opportunity in the current situation is only partially confirmed. There was a significant relationship between the foreign consulting organizations and seeing the future opportunities in the current crisis, but the correlations between the negative effects of the pandemic and the foreign-owned organizations were not fulfilled.

LIMITS AND FUTURE PLANS

As we have already indicated in the presentation of our research, our study was not representative, but compared to other similar empirical studies in Hungary, the number and composition of our respondents were similar. Using the experience of our current research, we are launching another study in this area in conjunction with the third wave of COVID. Once the epidemic is over, we are planning another research project on the topic of consulting. The aim of our research is to assess the effects of the epidemic in the areas of consulting, how each role changed and what directions they started to follow. Our further goals are to compare our existing research results with this new research and draw the appropriate conclusions. We would like to extend our research to other CEE countries in order to have an even more relevant benchmark in the field of consulting.

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