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# Suspicious Minds:

## The Effect of Distrust in the Decision to Hire a Consulting Firm

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## Abstract

Management consulting has recently undergone several changes and shocks that might lead the public to distrust it as an institution. The present study experimentally examines the effect of such distrust on the process of choosing a management consulting firm. Based on organizational behavior literature, when decision-makers are distrustful of the institution, they are expected to make hiring decisions based on cost rather than reputation. To test this hypothesis, MBA students read texts that manipulated their trust in the consulting industry and the perceived reputations of different consulting firms. They were then asked to select the consulting firm they would hire. The specific dependent measures were the determinants of choice – cost or reputation – that were involved in the decision-making process.

The management consulting industry has undergone a great deal of instability and change in the past several years. First, several large, well-known consulting firms like marchFIRST and Scient went out of business after the internet bubble burst. Perhaps more surprising was the 2002 bankruptcy and liquidation of Arthur D. Little, the 115-year old institution known for its innovative work. With the exit of previously heavy hitters, a number of small consulting firms without established reputations have emerged (Vault.com, 2002b). Even more visibly, several of McKinsey & Co.'s most prominent clients filed for bankruptcy in 2002 – among them Enron and Global Crossing, companies whose downfall was associated with very clear corporate fraud and scandal (Byrne, 2002). Finally, increased M&A activity, consulting IPOs, higher organizational birth and death rates have contributed to a dynamic and confusing consulting marketplace. I propose that these events have created public distrust in the management consulting industry.

This proposition seems to find support in the evidence of a generally observable recent trend favoring smaller, lower-reputation firms over large, high-reputation firms. Recent research shows that consulting firms' reputations are declining precipitously, with an average decline in reputation among the 50 most prestigious consulting firms declining 8% in 2002 (CN, 2002b). The same study shows the reputations of four of the five "elite strategy firms" declined in 2002 by an average of 9.5% (CN, 2002b). Moreover, smaller firms, those with less than $50 million in annual revenue (which have relatively less reputation than larger firms), have outperformed their larger rivals on several metrics in 2002 (CN, 2002a). These statistics suggest that under conditions of institutional distrust, high reputation becomes a liability for consulting firms.

This is significant, because trust and reputation are the bases of legitimacy for management consultants, along objectivity (Jackall, 1988). In fact, I assert that recent industry turmoil has created public distrust of the institution of consulting. Institutional distrust has diminished the role of reputation and caused managers to look to purely economic factors in decision-making regarding the hiring of consultants. That is, under conditions of distrust, managers are more likely to hire consultants based solely on price than they are to base their decisions on reputation. Under conditions of distrust, therefore, I propose that managers are less likely to hire high-reputation management consulting firms.

This paper tests the hypothesis that when decision-makers are distrustful of the consulting industry, they will hire consultants based on price rather than reputational factors. After reviewing the role of trust in agency relationships, I will discuss the cognitive causes and consequences of distrust and the effects of distrust on agency relationships. I will then present the methodology used to test my proposition, which will use measures of interpersonal distrust as a proxy for interorganizational distrust.

## Role of Trust in Agency Relationships

There are several ways to look at trust. One way to frame the issue is in interpersonal terms, where we can make a distinction between cognitive- and affect-based trust (McAllister, 1995). Cognitive-based trust is based on assessments of a person's reliability, whereas affect-based trust can is grounded on personal experience and individual attribution of motives (McAllister, 1995). We can also frame trust in terms of exchange relationships; here it is based on three factors: reliability, predictability and fairness (Zaheer, McEvily, & Perrone, 1998). Zaheer et al. (1998) argue that an actor trusts a specific partner based on the expectation that the partner is reliable, will behave predictably and will not behave opportunistically. Without these expectations, one cannot feel secure in an exchange transaction.

Trust may play even more of a role in consulting than in other types of exchange relationships, because it involves agency, which intensifies the need for trust (Shapiro, 1987). As business become more specialized and differentiated, principals rely increasingly on agents to fill roles and functions requiring direct access to distant information and property. Because organizations have limited resources, attention, access and capabilities, they must rely on others to process and interpret information. The agents – in this case, consultants – have exclusive information, which principals cannot verify independently because they lack expertise, access and resources – the very shortcomings that forced them to rely on agents. This information, in turn, gives agents the capacity to create wealth and control over the distribution of opportunities to participate in wealth creation. The possibility that agents can and might exploit this asymmetry creates the possibility of distrust (Shapiro, 1987). The fact that the in late 1990s, several consultancies became publicly traded companies – something that had never been seen before – would only serve to exacerbate the agency issue.

To mitigate distrust, principals attempt to forge relationships with agents based on familiarity, interdependence, continuity and other factors that establish incentives for trustworthy performance (Shapiro, 1987). This leads to repeated interaction, which creates more symmetric information, expectations of future reciprocation and similar underlying assumptions between principal and agent, reducing negotiation and consequently transaction costs. Not only is there a negative relationship between interorganizational trust and negotiation costs, but lower negotiation costs also lead to better performance (Zaheer et al., 1998). In addition, Granovetter (1985) showed that social relationships are embedded in economic behavior posits that principals most often choose to transact with agents of known reputation or, preferably, agents with whom they have successful past dealings. The concept of embedded social ties provides a compelling explanation for companies' repeated use of the same consulting firms over time, as well as the consequent emergence of an elite among consulting firms.

Establishing and maintaining relationships with trustworthy agents is not always possible, however. First, the very sources of the agency problem – especially limited information, expertise and resources – inhibit the boundary-spanning needed to measure reputation or other measures of trustworthiness (Shapiro, 1987). What is more, Granovetter's (1985) argument can only hold if either at least one available agent has a positive reputation, or past dealings have been successful. When the reputation of past organizational partners is diminished, principals will not transact with them in the future. In the absence of potential new partners of positive or known reputation, agents must be selected on other bases.

Eccles (1981) determined that selection could be based on price, which acts as a control on trust. He found that homebuilders frequently use the same subcontractors regularly over long periods of time, but periodically test the market by soliciting competitive bids. Because such transactions involve low asset specificity, switching costs are relatively low; thus, if a lower-priced subcontractor is available, the homebuilder could credibly threaten to abandon existing partners. At the same time, the fact that the homebuilder could go to the market at any time inhibits the subcontractor from raising prices and exploiting its agency position, which contributes to the development of trust-based, stable relationships. Eccles and Crane (1988) found the same trust-price control mechanism at work in investment banking.

The same mechanism might be valid for any project-based industry with significant uncertainty and low asset specificity, where switching were relatively cheap and easy (Bradach & Eccles, 1989). It cannot work, however, without a baseline level of trust in the agent. Price can only be a source of control if incumbent partners are trustworthy; if not, this logic predicts that principals will simply go to the market to find cheaper alternatives. Thus in the absence of trustworthy partners or firms of known high-reputation, price will be the basis of agent selection.

## Cognitive Causes and Consequences of Distrust

It is almost tautological to assert that none of the benefits of trust in agency relationships exist in when there is no trust, as I have just shown. The consequences of distrust, however, are not simply the converse of the consequences of trust. Distrust engenders different results from trust because it is affected by different social-psychological forces.

### Interpersonal Distrust

Distrust entails a lack of confidence in available partners as well as concerns that partners will do harm or act in a hostile manner (Grovier, 1994). One partner's feeling that the psychological contract embodied in the reciprocal exchange relationship has been breached can also cause distrust (Robinson, 1996). The central cognitive component of distrust is suspicion (Deutsch, 1958) – a psychological state in which the perceiver actively entertains rival hypotheses regarding the motives and sincerity of an agent's behavior (Fein & Hilton, 1994). Warnings that an agent might be insincere or untrustworthy, situations where expectations have been violated or situational information suggesting an agent has ulterior motives are some of the factors that can trigger suspicion.

### Intergroup Distrust

When suspicions are activated, the perceiver might become attributionally conservative, withholding judgment until more information is available, or attributionally sophisticated, a more careful and active observer of potential motives that might affect agents' behavior. Fein (1996) showed that in general, the attributional sophistication argument wins out. This supports the idea of the perceiver as an "intuitive scientist," making inferences about others' trust based on available social data (Kramer, 1999). This implies that group bias and other cognitive processes of social categorization might promote distrust and suspicion between two groups (Brewer, 1981, 1996), even in the absence of other bases of distrust (Kramer, 1999).

Slovic (1993) argued that cognitive factors lead to asymmetries in the trust-building and trust-destroying processes. Because negative, distrust-building events are more visible than positive events, they carry more weight in judgments than trust-building events, even if both events are of similar magnitude. In addition, sources of bad news tend to be seen as more credible than sources of good news, making trust-destroying events more central, visible and salient. Burt & Knez (1995) found that although both trust and distrust were amplified by third-party influence, distrust was amplified more than trust. Judgments about distrust take on a "catastrophic" quality, because third parties pay more attention to negative information and prefer negative gossip to positive gossip. Taken together, these results suggest that "indirect connections amplify the distrust associated with weak relations much more than they amplify trust among strong relations" (Kramer, 1999). Moreover, distrust is sticky, and as Gambetta (1988) found, hard to undo through experience, because it inhibits people from engaging in trust-building behavior, while promoting behavior that reinforces the bases of distrust.

Institutional Distrust

Zucker (1986) showed that trust – and, by extension, distrust – can be generated by institutions, including professions, bureaucracies and financial intermediaries. There is ample evidence that public trust in institutions has been declining over the past several decades (Nye, 1997).[1] The sources of institutional distrust are quite similar to the sources of interpersonal, intergroup and interorganizational distrust. Nye (1997) suggested that unmet expectations erode public trust. Zimmer (1972) argued that people overgeneralize from highly salient and vivid events involving institutions and their leaders when making judgments about institutional trust; thus leaders become reference points for individual attributions of trust in institutions in general. Finally, Cappella & Jamieson (1997) showed that the framing of news affects people's distrust of institutions directly: news items framed strategically promote more distrust and cynicism than neutral or issue-oriented news items.

This analysis suggests that even when relatively mild states of suspicion are activated, they can have strong effects on decision-making outcomes because of mediating factors. When suspicious, decision-makers will be more alert, looking for signals about trustworthiness in the environment. Because of the biases inherent in basic cognitive processes, decision-makers will give more credence to negative information, confirming their suspicions. This information can come from several sources, but the more impartial those sources are perceived to be (news items, third parties, or weak connections, e.g.), the more salient they become, contributing to the activation of distrust. This distrust compromises agency relationships, especially when a market exists to provide alternatives. If the reputation of the alternatives is questioned, reinforcing suspicions, or the trustworthiness of the entire agent institution is compromised, the only available basis upon which to make decisions is price.

<u>Interorganizational and Interpersonal Distrust</u>

I have now reviewed interpersonal, intergroup and institutional forms of trust, but have not reviewed the issue at the interorganizational level, where the decision to hire management

[1] Between 1964 and 1997, public trust in the federal government fell from 75% to 25%; trust in universities fell from 61% to 30%; medical institutions from 73% to 29%; journalism from 29% to 14%; major private companies from

consultants is made. Zaheer et al. (1998) hold that in interorganizational settings, interpersonal trust can be construed as the extent to which a boundary-spanning agent trusts her counterpart in the partner organization. This view allows that interorganizational trust is possible, but that the organization cannot be the point of origin of trust; only the individual can establish trust. This must be the case, as it is individual boundary spanners that handle interorganizational relationships. Thus interorganizational trust is the extent to which members of one organization share a collective trust orientation toward the partner organization, which is fundamentally different from asserting that organizations trust each other.

Over time, if repeated ties evolve into stable, cooperative interorganizational arrangements, interpersonal trust among boundary spanners is institutionalized (Gulati, 1995). At the same time, we cannot simply aggregate interpersonal trust as a proxy for interorganizational trust, as that would neglect the influence of social context and organizational rules on individual decision-making (Coleman, 1990;Sitkin & Roth, 1993). Interorganizational trust is the dominant influence on processes and outcomes, because institutionalized patterns and practices "transcend the influence of the individual boundary spanner" (Zaheer et al., 1998). Because of the pervasiveness and stickiness of distrust, as well as the amplification of negative events and perceptions, especially through the intermediation of a third party, we can expect that with regard to distrust, an opposite effect will be observed: the individual boundary spanner will have the dominant effect on interorganizational distrust. Therefore in assessing distrust, it is valid to test individual responses to and perceptions of organizations or institutions.

55% to 21%. (Nye, 1997)

## Effects of Distrust on Agency Relationships

Recent events in the consulting industry and statistics reviewed above raise the possibility that distrust in the institution may be increasing. Trust in consulting has been shown to be based on client perceptions of expertise, objectivity and scientific methodology (Jackall, 1988). Visible accounts of consultants providing poor advice, behaving in a self-motivated or profit-oriented manner and lack of scientific methodology – exemplified by McKinsey's involvement with Enron, but present in many other high-profile corporate scandals and failures – must compromise public trust in the institution for the reasons stated above. McKinsey's high-status, representative position in the industry makes it a natural reference point or role model upon which to judge the institution, and the drawn out treatment of such events in the news and around water-coolers provides salience and credibility. I propose that recent negative news regarding visible, representative consulting firms has eroded trust in the consulting industry.

With trust in high-reputation firms in question, an element of risk is introduced into the decision-making process. Hiring a compromised firm – one in which public trust has been eroded or whose reputation has been harmed by negative news, opinion or associations – entails the risk of being tainted by association as well as the risk of receiving poor or even harmful advice, in addition to the risk of being subject to increased regulatory scrutiny because of the agent's past misconduct. Conversely, hiring a firm with fewer negative associations, even in the absence of a positive reputation, only entails the risk of receiving poor advice. There is the risk of poor advice in both cases, but the chance of being tarred by the same brush as a discredited agent adds to the risk of working with a consultancy viewed as representative of the industry, that is, one with a prestigious reputation. Distrust thereby leads to cognitive association of high-reputation firms with higher risk than neutral-reputation firms.

Even when principals distrust the institution, however, they frame their interaction with consultants in the positive domain. This means that principals concentrate on potential gains rather than losses when considering agents, or that consultants are hired to provide positive benefits to the client. The S-shape of the value function derived by Tversky and Kahneman (1981) predicts that decision-makers are likely to be conservative, or risk-averse, when faced with risky choice in the positive domain. Therefore they will always choose the less risky option when hiring a consultant; this means that under distrust, they will choose the neutral-reputation consulting firm over the high-reputation consulting firm.

The fact that economics must be considered has further implications. Traditionally, higher-status consultancies have charged a premium for their services, which was possibly because of asymmetric reputation and trust. To attract clients, lower-status firms charge less for their services, and I argue that low pricing acts as to signal relatively low status or lack of prestigious reputation in consulting. I predict that when distrustful of the institution of consulting, decision-makers will opt to hire lower-cost consultants, as cost is a more important decision factor under conditions of distrust than under conditions of trust. Based on my theoretical discussion above, I also predict that when there are no options of positive, known reputation, cost will be the primary decision criterion.

This hypothesis has broader, institutional implications, as well. Under conditions of distrust, when the bases of competition become more economics-based, higher-status firms will be forced to lower their fees, as well. This may have significant effects for competitive differentiation, consultant migration, client loyalty and many other issues salient to consulting firms. These are questions for further research, however, and will not be addressed in this paper.

In summary, the present research seeks to demonstrate that negative news about highly visible, representative consulting firms will produce feelings of distrust in the consulting industry. Distrust will lead decision-makers to select consulting firms based not on reputation, but instead the only other available decision criterion: price. Thus I predict that principals will make their hiring decision based on reputation only when they trust the institution of consulting and have the option of a high-reputation firm, whereas under all other conditions, price will be their primary selection criterion.

## Method

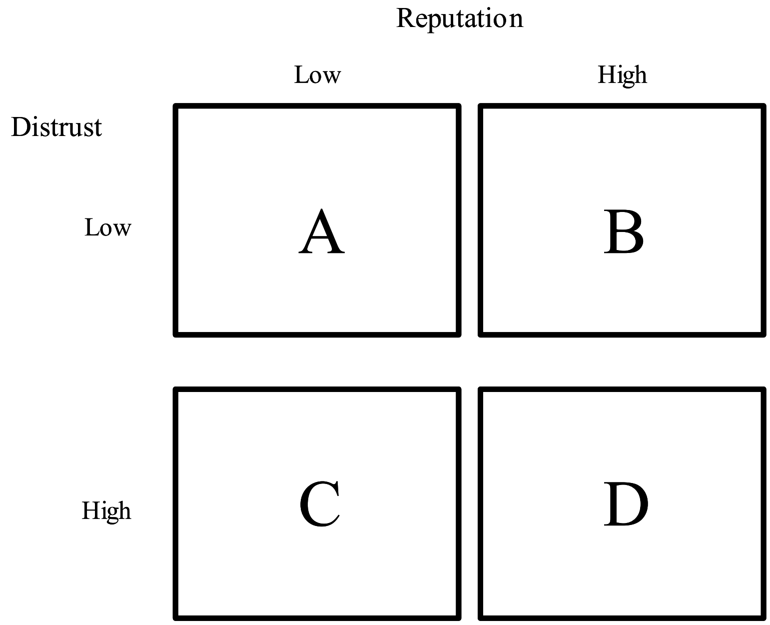
### Overview and Design

My experiment was designed to test my major hypotheses regarding the role of trust in the decision to hire a consulting firm. They are:

1. Negative news items about the consulting industry create high institutional distrust.
2. Under conditions of low institutional distrust, reputation will drive choice only if there is a high-reputation option; otherwise, price will be the main decision criterion.
3. Under conditions of high institutional distrust, choice will be price-driven.

To test these hypotheses, I have designed a 2x2 experiment where I manipulated both distrust (low, high) and reputation (low, high), while price remained constant across cells. The independent variables are distrust and reputation, and the dependent variable is choice. Figure 1 illustrates the experiment design. Based on the theory presented above, I predict that in cell A, where there is low distrust and low reputation, price will drive choice. In cell B, where there is low distrust and high reputation, reputation will drive choice. Price will also drive choice in cells C (high distrust, low reputation) and D (high distrust, high reputation).

Figure 1. 2x2 Experiment Design




Participants

Participants were 160 MBA students, who volunteered for this study; 40 were placed in each cell of the 2x2 design by random assignment.

Procedures and Task

Participants were given a task packet. First they read a text describing the consulting industry, designed to manipulate distrust. In the high distrust manipulation, they were given a strongly negative text, whereas in the low distrust manipulation, they were given a positive text. Participants had five minutes to read and consider the text before turning the page.

The second page of their task packet contained two news items, each referring to a different consulting firm, designed to manipulate reputation. The first of these news items was always neutral, designed to give basic, objective information, and was a doctored Vault.Com company snapshot – an company description designed to give job hunters basic facts (Vault.com, 2002a). The second news item, based on a *BusinessWeekOnline* article on McKinsey & Co., was manipulated (Byrne, 2002). In the high reputation manipulation, it was framed in a strongly positive way. In the low reputation manipulation, it was framed in a strongly negative way. Participants had ten minutes to read and consider these texts before turning the page.

All participants were then given a short scenario that did not vary across cells. Participants were told that they have to reduce costs in their division by $10 million annually within one year, and that they could hire consultants to help them do so. Presented with two bids, they were asked to indicate which consulting firm they would hire. The bids did not vary across cells. Participants were given 10 minutes to consider the bids and make their selection.

After making their selection and giving their responses to the experimenter, participants were given a brief questionnaire and asked to fill it out. The first group of questions is designed as a check on the manipulation of distrust in the consulting industry, based on tests for assessing affect- and cognitive-based trust developed by (McAllister, 1995). The second group of questions is posed to check the manipulation of reputation. The final set of questions is designed to measure the degree to which trust, reputation and price played a role in participants' decision-making process.

<u>Experimental Manipulation</u>

The distrust manipulation is included in Appendix A. Appendix B contains the reputation manipulation. The task scenario and bids are provided in Appendix C, and the questionnaire is presented in Appendix D.

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Appendices follow.

## Appendix A: Distrust Manipulation

Low Distrust Condition

Over the past decade, the consulting industry has changed significantly. Consultants have had *a hand* in some *corporate successes* of the past several years, including recent *positive performance* at *Johnson & Johnson* and *General Motors*. Most of the major accounting firms have spun off their consulting arms to eliminate potential conflicts of interest; many observers see this as a *positive development, which frees consultancies from the restrictive culture of traditional accounting and auditing firms*. A number of consultancies have merged, *giving their clients access to a broader range and scope of services and expertise*. Finally, a proliferation of small, new consulting firms has emerged, *offering clients skilled advice in specialized fields*.

High Distrust Condition

Over the past decade, the consulting industry has changed significantly. Consultants have had *a significant role* in some of the *major corporate failures* of the past several years, including recent *disasters* at *Enron* and *Global Crossing*. Most of the major accounting firms have spun off their consulting arms to eliminate potential conflicts of interest; many observers see this as a *negative development; as consulting firms are freed from the control of traditional auditing firms, they may become more profit-oriented and less client-focused*. A number of consultancies have merged, *turning their focus toward internal issues, and resulting in less consistent client satisfaction*. Finally, a proliferation of small, new consulting firms has emerged, *partially due to successful partners defecting from discredited, more established firms*.

## Appendix B: Reputation Manipulation

Low Reputation Condition

The following is an excerpt of a *BusinessWeekOnline* article on XYZ Consulting, dated July 8, 2002:

[. . .] XYZ Consulting remains *near the bottom of the consulting league-tables*, with the most *overhead costs*, the *least prestigious* client portfolio, and the *thinnest* global *presence* of any *of the big management consultancies*. Most of the firm's top clients pay *less* than *$2 million* a year in fees, and XYZ Consulting's largest client – which it declines to name – doled out *only $5 million* for its advice last year. XYZ Consulting serves *none* of the world's *500* largest corporations.

XYZ Consulting partners *have not yet learned* to protect and cultivate their client relationships. The firm says that it has *lost* more than *100 active clients to its competitors in the last 5 years.* It may be the priciest of the management consultants, and clients say it gives *only fair* service. "XYZ Consulting will bring *junior people* in to discuss the things they would do if they were in our shoes," says Jo-Ellen Pozner, CEO of Leverone Corp., a *recent* client. "*Very often, we turn their proposals into the bases for competitive bidding*." [. . . ]

The following is an excerpt of a *Vault.Com* company snapshot of QRS Management Consultants:

QRS Management Consultants is a private firm with a good reputation. "It makes no effort to attract attention to itself," a contact explains. "The quality of work and the projects at QRS Management Consultants are high," adds another. Around the offices, there is a very businesslike atmosphere with a "'let's get the work done' attitude." The firm has "a lot of young, nice people to work with," and is not very cutthroat.

High Reputation Condition

The following is an excerpt of a *BusinessWeekOnline* article on XYZ Consulting, dated July 8, 2002:

[. . .] XYZ Consulting remains *the high priest of high-level consulting*, with the *most formidable intellectual firepower*, the *classiest* client portfolio, and the *greatest* global reach of any *adviser to management in the world*. Most of the firm's top clients pay *$10 million a year and up* in fees, and XYZ Consulting's largest client – which it declines to name – doled out *$60 million* for its advice last year. XYZ Consulting serves *147 of the world's 200 largest corporations, including 80 of the top 120 financial-services firms, 9 of the 11 largest chemical companies, and 15 of the 22 biggest health-care and pharmaceutical concerns.*

XYZ Consulting partners *learn early on* to protect and cultivate their client relationships. The firm says that it has *served* more than *400 active clients for 15 years or longer*. It may be the priciest of the management consultants, but *longtime* clients say it gives *top* service. "XYZ Consulting will bring its *most senior people* in to discuss the things they would do if they were in our shoes," says Jo-Ellen Pozner, CEO of Leverone Corp., a longstanding client. "*You have dinner. And then projects evolve. Often, competitive bidding doesn't happen*." [. . .]

The following is an excerpt of a *Vault.Com* company snapshot of QRS Management Consultants:

QRS Management Consultants is a private firm with a good reputation. "It makes no effort to attract attention to itself," a contact explains. "The quality of work and the projects at QRS Management Consultants are high," adds another. Around the offices, there is a very businesslike atmosphere with a "'let's get the work done' attitude." The firm has "a lot of young, nice people to work with," and is not very cutthroat.

## Appendix C: Task

You are the Director of Distribution for a national soft-drink bottler. Your company operates in a very competitive environment, and margins have been squeezed over the past several years, resulting in lower overall profits. The company has decided to improve margins by reducing costs across the board, including your division. The CEO has asked you to reduce annual expenditure on distribution by 10%, or $10 million, within the next year.

You have been given permission to hire consultants to assist in the cost-cutting process, and have solicited proposals from two consulting firms, listed below. You now need to choose between them. Please indicate which firm you will hire by circling that company's name.

<u>Bids</u>

1. XYZ Consulting

    Staffing: 1 Project Manager, 2 Senior Consultants, 1 Junior Consultant

    Scope: 2 phase project: assessment and implementation

    Timing: Phase 1 – 8 weeks; Phase 2 – 12 weeks

    Expected annual savings: $10 million – may be adjusted after Phase 1

    Cost: $1,200,000

2. QRS Management Consultants

    Staffing: 1 Project Manager, 3 Senior Consultants, 2 Junior Consultants

    Scope: 2 phase project: assessment and implementation

    Timing: Phase 1 – 16 weeks; Phase 2 – 12 weeks

    Expected annual savings: $10 million – may be adjusted after Phase 1

    Cost: $850,000

## Appendix D. Questionnaire

1. Please indicate the extent to which you agree with the following statements about consulting firms (1 – strongly disagree, 4 – no opinion, 7 – strongly agree):

In general, consulting firms are trustworthy.

. . . have the best interests of their clients at heart.

. . . are objective analysts and advisors.

. . . provide scientifically grounded advice.

. . . are profit-oriented.

. . . are more concerned with their own reputation than their clients' problems.

. . . provide boiler-plate solutions to problems.

2. Please indicate the extent to which you agree with the following statements about XYZ Consulting (1 – strongly disagree, 4 – no opinion, 7 – strongly agree):

XYZ Consulting is prestigious.

. . . has a good reputation.

. . . has a neutral reputation.

. . . has a bad reputation.

Please indicate the extent to which you agree with the following statements about QRS Management Consultants (1 – strongly disagree, 4 – no opinion, 7 – strongly agree):

QRS Management Consultants is prestigious.

. . . has a good reputation

. . . has a neutral reputation.

. . . has a bad reputation.

3. Please answer the following questions regarding the process you used to arrive at your hiring decision (1 – strongly disagree, 4 – no opinion, 7 – strongly agree):

The consulting firm I hired is prestigious.

The consulting firm I hired has a good reputation.

The consulting firm I hired has a neutral reputation.

The consulting firm I hired has a better reputation than the alternative.

I made my decision because firm I chose has a better reputation than the alternative.

I trust the consulting firm I hired.

The consulting firm I hired is more trustworthy than the alternative.

I made my decision because firm I chose is more trustworthy than the alternative.

The consulting firm I hired is the low-price option.

I made my decision because the firm I chose cost less than the alternative.

I have confidence that the firm I chose will do a good job.

I have confidence that the firm I did not choose would do a good job.

I have confidence that the firm I chose will do a better job than the alternative.

I would recommend the firm I chose to others.

I would recommend the firm I did not choose to others.

I am more likely to recommend the firm I chose than the alternative.

Please indicate the order in which the following issues played a role in your decision-making process:

Trust in the consulting industry.

Trust in the firm I chose.

Distrust of the firm I did not choose.

Reputation of the firm I chose.

Reputation of the firm I did not choose.

Low price of the firm I chose.

High price of the firm I chose.

Please use the space provided to describe the process you used to arrive at your hiring decision. In addition, if your decision was motivated by factors not addressed in the preceding questions, please indicate them here.