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# Knowledge narratives and heterogeneity in management consultancy and business services

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# Knowledge Narratives and Heterogeneity in Management Consultancy and Business Services*

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## Introduction

In the professional services, diversification into various types of business advice has implications for knowledge boundaries. This is a sector of changing jurisdictional patterns and periodic reconstruction. Firms like large law practices that feed services into corporate clients have been merging to provide global coverage (Suddaby and Greenwood, 2001; Suddaby *et al*., 2004). But new specialisms in areas like consulting and IT are even more dynamic. Patterns such as the growth in outsourcing and movement into management consulting accounted for stupendous growth of the global accounting firms. These changes have themselves been overtaken, as the IT and systems giants muscled into audit and consulting interests. Leading systems firms have taken over and merged with existing clusters of skills in a process seen by some as a historic wave in the evolution of the sector (Kipping, 2002; Kirkpatrick and Kipping, 2005).

Studies of the professional service firm (PSF) and the sector as a whole are beginning to show distinctions amongst groups such as account-ants, lawyers, systems experts, and consultants. This agrees with some critical writers (e.g. Ackroyd and Lawrenson, 1996) who allude to an alternative conception of business services, not defined by narrowly prescribed inputs, or typical 'professional' expertise, but expertise that feeds into diversifying corporate structures. However, while there is some exploration of forms of knowledge-intensive labour, research has perhaps not fully caught up with this rapidly changing sector, and it is our contention that changes have not worked through in analysis

or been fully acknowledged. The origins of studies in the traditional professions still influence the formats in which occupational skills are expressed, whether codified or implicit, whether based on techniques or social networks.

Studying professional services from the viewpoint of newer expert groups ought to provide a better understanding of these influential actors. The concern with *knowledge* in particular highlights heterogeneity and is a passport to understanding the newer activities (Morris and Empson, 1998). Our intention is to build on the research on knowledge-intensive work and differences within the PSF sector by looking at forms and uses of knowledge in newer occupations. This chapter evaluates literature on professional services, making use of an emerging comparative focus but employing perspectives on management consulting and information systems. By approaching the field from this viewpoint we hope to more fully theorize differentiation in professional services.

In particular, we suggest the idea of 'narratives' of knowledge as a way of demonstrating and representing differentiation. The narrative emphasis, we argue, is better at linking knowledge with its use and action than the commoner emphasis on the properties of knowledge and knowledge types. Knowledge narratives have been briefly suggested in research differentiating expert groups (e.g. Kirk and Vasconcelos, 2003; Patriotta, 2003), but we draw more explicitly on organizational narratology. Though this itself embraces a wide range of perspectives, we have chosen a 'thematic' understanding of narrative (Czarniawska, 1997) that stresses ways of characterizing the knowledge being traded and circulated rather than, say, 'biographic' forms of storytelling. We argue the former can be more directly linked to dimensions that help to explain knowledge transfer in different categories of knowledge-intensive work. It can be linked, especially, to the work context and organizational setting within which different forms of management practice are embedded, and also to all-important power relations with client groups and processes through which the legitimacy of knowledge gets constructed/challenged.

In the chapter, these issues are explored via case examples of contrasting forms of management consulting and IT consulting. These represent well-defined forms of expert labour, one involving strategy formation in a global organization, and the other a large-scale systems development in a financial services firm. In them we contrast the narratives attached to particular knowledge types, work and organizational contexts, and the power relationships between client and

expert. Before doing so, we review how knowledge concepts are differentiating the range of business services; we make a case for using the narrative approach, and develop the concept of the knowledge narrative.

## Professional services and knowledge heterogeneity

Studies of PSFs have mostly been concerned with *internal* aspects of control and firm governance (see Chapter 8 by Kipping and Kirkpatrick). Concern has focused on how staff effort is 'leveraged' – the polite professional term for labour exploitation (e.g. Freidson, 1986; Maister, 1993; Nelson, 1988) (with regard to this issue, see Chapter 2 by Muzio and Ackroyd and Chapter 3 by Flood). Perhaps the major theme in recent years has been whether the professional partnership is giving way to more managerialist forms. The gulf in expectations between orthodox structures and new 'businesslike' models involves not just a modified professional role but wholly different interpretive schemes (Cooper *et al.*, 1996; Greenwood and Lachman, 1996; Dirsmith *et al*., 1997; Pinnington and Morris, 2003). From this it might be surmised that the modern travails of the professions reflect a loss of occupational identity – though some have suggested this is overplayed. Hanlon (2004), for example, argues there never was a pure professional model to get excited about, and that 'elite firms' have happily mixed collegiality and bureaucratic governance.

Whatever the differences, the focus on recruitment, retention, motivation, and leveraging suggests a particular set of assumptions and beliefs about professional knowledge. Concern with internal governance/control reflects an overriding concern with adaptive responses to environmental changes, while knowledge is seen as being simply contained in human capital and transferred when professionals go to work. Assumptions that knowledge is embodied in professional staff tend to marginalize the relationship with the client and imply that it can somehow be left out of the equation. Critics such as Morris and Empson (1998) note that while PSF studies assume the vital significance of professional knowledge, they simplify it and fail 'to examine the complexity of the management strategies which influence the way in which the professional conducts his or her work within the firm' (p. 609). An internally focused and functionally adaptive model assumes the PSF is solving client problems merely by supplying expert staff and motivating them effectively.

Sharply contrasting with the professional services literature, the literature on a group like management consultants conveys a more *externalized* image of the relationship with the client. Here the nature of expert knowledge and the delivery of an effective service are very definitely problematized. The precise status of 'consultant knowledge' is contested, while consulting work is seen as involving the 'co-production' of knowledge with the client (e.g. Clark, 1995; Clark and Fincham, 2002). Some tend to stress new expert groups like consultants as global mediators of new knowledge (e.g. Sahlin-Andersson and Engwall, 2002). Others suggest that knowledgeable clients are the key figures in innovation. Where else would consultants obtain knowledge from except from clients, or from experiences with them (Alvesson and Johansson, 2002; Fostenlokken *et al.*, 2003)? Both situations, though, retain a clear contrast with knowledge in more 'respectful' studies of traditional professions.

## Types, processes and narratives

In exploring the differentiation of knowledge, the starting point has often been content theories and the properties of knowledge. Distinctions between knowledge types have contrasted knowledge 'encoded' as rules that can be relatively easily transmitted (literally as a language or code) versus knowledge 'embedded' in practices and experiences and not easily exchanged between individuals or settings. Increasing doubts about the static nature of knowledge types, however, have led to a focus on the flux and flow of knowledge, and knowledge seen more as a process (Blackler, 1995; Patriotta, 2003: 350). But even more contextualized ideas of 'knowing' within systems of social activity give rise to problems. Even a nuanced notion of knowledge, situated in distributed relations and practices, remains 'weak in the analysis of the relationship between knowledge and power' (Blackler, 1995: 1034) and struggles to differentiate between groups. Tendencies to fete the progressive nature of groups and to aggregate 'expert' occupations still occur.

The implications of contrasting knowledge bases, we suggest, can be better explored via the concept of 'narratives' of expert knowledge. Placing knowledge within a narrative framework suggests it is coherent to a degree but also permits broader streams of meaning, some of which may be in conflict, to co-exist. Kirk and Vasconcelos (2003), for example, have described knowledge narratives as constructs intrinsic to particular occupational and organizational categories that are reflected

in the accounts respondents use to characterize their work. Patriotta (2003: 351) suggests knowledge being 'capitalized'; that is, to say, created and embedded in practice in narrative form. Knowledge narratives here allow for complex formations, rather than limiting the range of differentiation, yet are seen as having an identity within settings integral to the whole.

Narrative building is seen as almost intrinsic: people 'produce accounts' in order to make sense of their world. Events are made understandable by placing them within a framework or sequence, rather than explaining them 'objectively' by establishing causes. Explanations gain legitimacy not via proof or evidence – which in many cases is impossible to assemble – but by self-referential qualities like coherence and revelation (Lyotard, 1991; Weick, 1995). The force of narrative derives from its being both complex and simple. Narratives are both complicated and clear. Understanding comes only through detailed biography (Tsoukas and Hatch, 2001) and, in organizations, narratives permit the transfer of complex tacit knowledge that is the basis of skilled practice. But as well as enriching understanding, a way through the complexity is also constructed. Narratives are interpretive texts that construct parsimony out of an otherwise tangled and disorderly skein of events and impressions (White, 1981).

Organizational narratology, however, is hardly a unified field but ranges across different emphases and perspectives. For some the integrity of the story (and story teller) is all-important, while others seek to minimalize different versions of the 'same' story. A focus on the functional role of knowledge transfer may emphasize sensemaking in the service of management and of stopping disruptions to normal working (Patriotta, 2003). This may differ from an agenda that highlights resistance and organizational voices swamped by dominant ones (Brown, 2003). Here, for example, Brown (1998) has stressed that narratives are created to sustain some version of events. Particular interest groups 'tell the story' in particular ways and reflect their situation in the organization and role in the change process (also Brown and Humphreys, 2003; Currie and Brown, 2003).

While the narrative concept has mostly been studied in terms of story telling, less well researched though still interesting approaches suggest that narrative itself can take on different forms. In particular, Czarniawska (1998: 78) has theorized 'narrative' not just as biography but as an encompassing concept that covers the process of meaning construction. She suggests that organizational biographies may be the 'basic unit' of narrative, but other kinds of narrative that have no plot or

outcome, and no cast of characters, occur as abstractions across different stories. Seeing narrative in a 'thematic' way introduces a more structured approach and represents the face of action as well as meaning. Narratives are stressed as not 'just words' but meaning is assigned within processes of power and intent (Czarniawska, 1997: 80).

These faces of meaning and power reflect the complex and differentiated character of management knowledge. This is important because, as Contu and Willmott (2003) comment, some influential accounts of knowledge-intensive work play fast and loose with critical power concepts and remain resolutely positive. But the 'narrative' can provide a framework containing a range of dimensions, not necessarily fixed but contingent on contexts that constrain knowledge exchanges.

## Differentiated knowledge narratives

Thus, accepting that so-called professional services are increasingly supplied by wide-ranging occupations, many of them not professions in the traditional sense, knowledge narratives are suggested as a way of describing these 'different languages' and the heterogeneity in knowledge underlying expertise bases. Here growing evidence suggests that distinctive labour forms within professional services may be critical for knowledge-intensive work (Alvesson and Johansson, 2002; Armbrüster and Kipping, 2002). Recent studies in particular have begun exploring these variances.

Both Morris and Empson (1998) and Kirk and Vasconcelos (2003) used the approach of 'pairing' different occupational and knowledge types. Morris and Empson (1998) contrasted a classic 'professional' knowledge type exemplified by accounting, with more 'relational' and client-centred consultant knowledge. They point out that a traditional profession such as accountancy produces very different knowledge from management consulting – a strategy of appropriating knowledge by codifying it through documentation and precedent contrasts with knowledge appropriated by applying it in client contexts. Kirk and Vasconcelos (2003) further suggest that even within a grouping like 'consultancy,' knowledge differences exist. They argue that technical types of consulting (mainly IT/systems) embraced an insular narrative developed around ownership of the problem and a cryptic almost secretive language. In contrast, general advisory consulting (as in the Morris and Empson case) employed negotiation skills and encouraged the development of 'a sophisticated shared vocabulary' (p. 40). One type of knowledge localizes intervention to specific technical

problems, while another formalizes intervention and negotiates change.

Others have highlighted the organizational and institutional context. Roslender and Fincham's (2003) comparison of the accounting and consulting sides in a Big 4 firm revealed distinctive forms of 'knowledge management'. On the consultancy side, databases provided a well-developed system of managing knowledge. These were hardly codified, but within the limits of structuring tacit knowledge represented formalized indexing and documenting systems. This contrasted with the audit side of the business, where embryonic knowledge management was barely relevant to everyday activities. This difference between two halves of the same firm was potentially explained by the work context. Specifically, the audit side could rely on legal requirements to produce regular accounts for clients, which led to a culture of repeat business and 'special relationships' with client firms. On the consultancy side, there was no such regulative framework and client relationships were more problematic (see also Sturdy, 1997a; Gluckler and Armbrüster, 2003).

None of these cases say much directly about the power aspects of knowledge narratives. Still, in the Kirk and Vasconcelos (2003) study, technical consulting was clearly concerned with system delivery and made little allowance for learning shared with the client. From this it may be inferred that a technical discourse tends to exclude the non-expert. In contrast, the vocabulary of the general consultant appeared to be the basis of co-production of knowledge. However, such a view of knowledge transfer assumes a special role for consultants as somehow intrinsically inclined towards 'partnership' with the client. More likely, these types of learning were not abstracted from power relations either, and the dependency pattern in the client–consultant relation implied a process of two-way learning.

These comparisons suggest that knowledge formations may be impossible to describe in a simple matrix or dichotomy. They are more useful as illustrations of broader narratives of knowledge and the contexts in which they evolve. In reviewing the studies above, certain dimensions suggested themselves and these are set out in Table 9.1. While these narrative strands remain contingent on the circumstances of the cases, the factors set out in the table indicate the main variables involved and highlight the range of complexity in business services.

*Table 9.1*   Dimensions of knowledge narratives

| Dimensions of knowledge narrative | Illustrative features |
| --- | --- |
| Knowledge properties and types | • Codified forms of knowledge<br>• Relational and organizational knowledge |
| Work and organizational context | • Nature of consultant task<br>• Nature of firm governance and control |
| Power context | • Monopoly of expert knowledge<br>• Structure of client–consultant dependency |

In the cases above, aspects of knowledge reflect the schema of types of knowledge work (e.g. Blackler, 1995). Knowledge that was formally codified was present in technical consulting, which resembled the classic professional role insofar as a monopoly of knowledge was guarded. (There were also differences between 'technical' and 'professional' forms. Typically a profession is associated with stabilized knowledge, whereas occupations such as IT and systems exploit rapidly changing knowledge fields, while knowledge is protected in informal interactions with clients). Another knowledge type occurred in the non-codified and implicit forms associated with management consulting based on 'relational work' or 'organizational knowledge'. But general consulting overlapped with technical consulting (and differed from traditional professional knowledge) in being oriented to rapidly regenerating knowledge fields.

In addition, the embedding of knowledge in different work contexts and power relations helped to explain some unexpected distinctions. For example, we might have expected codified knowledge (like accounting) to be susceptible to computer-based knowledge-management systems, whereas relationship-based know-how (such as general consulting) ought to be less formally controlled. But, in the above cases, the reverse was true and the nature of the work and differences in the work context partly explained this situation. Similarly, the possessors of technical IT-based expertise wanted to obscure their knowledge, whereas management consultants (whose knowledge base was more subjective) installed their knowledge in frameworks for client understanding. This distinction, again perhaps unexpected, also seems to have been explained by different work and power contexts: management

consultants seek changes via an engagement with organizational stake-holders, whereas IT/systems groups create boundaries around the systems themselves (Kirk and Vasconcelos, 2003: 41).

## The case studies

Two cases are now considered that demonstrate the narrative elements outlined above. Though not meant to reflect particular or representative narratives, the two studies were cases of major types of consultancy, as well as indicating the heterogeneity of business services. They conform to the model of contemporary business services alluded to earlier that stresses demand for wide-ranging services that augment managerial effort and skills. These were not cases of self-contained expertise, or narrow 'professional' inputs; rather they were inputs to managerial effort that impacted broadly. The client in the first case study was the strategic planning unit of a global energy company, while the consultant was a well-known strategy firm. In the research, the unfolding process of strategy formation was studied. In this company, strategy had a history of being shared with outside specialists, but it was a function impacting on the whole of the business. The second case involved the implementation of an IT system in a building society and the consultant was the technology supplier. The research focused on the steering committee that kept senior client management informed of progress. Here too the changes, the buying in of a new computer package, were a platform for the entire product range.

In each case, we observed direct client–consultant interaction during the course of particular projects, supplemented by concurrent interviews from both sides. Hence active client–consultant relationships were studied using multiple data sources rather than, say, interviews with separate samples of consultants or clients. This is important because the injection of outside expertise has been shown as a relation in which perceptions and interaction are shaped by inter-subjectivity (Sturdy, 1997b).

### The creative strategy narrative

In the energy company, consultants were developing operating models for sectors of the business which were divided into independent profit centres or 'performance units'. The aim was to identify new 'lenses' through which to view major investment/divestment decisions in different regions of operation. The client firm's strategy process was

pre-constructed into stages, and the case involved the starting or 'pre-appraise' stage. On the basis of this work no corporate decisions were likely to be made, but an 'appraise' or 'select' project (the next stages in the strategy process) might be identified.

This work context shaped a narrative of extreme uncertainty surrounding the parameters of the task. The work itself was uncertain – this phase of strategy was at the initial and least formulated end of the process – while the consultancy had a steep learning curve trying to understand the data models used by the company. Confusion experienced by the consultants was made worse by other contextual factors. The CEO did not engage with the project at this early stage since he wanted first to envision the 'forward shape' of the strategy with his own boss (the chairman of the whole company). The consultants were also unsure how to handle a welter of confidentiality issues with the business units. They were restricted as to whom they could talk, and were uncertain to whom they should go to obtain missing data.

Power-dependency relations added another layer of complexity. The energy company was a powerful client by any estimate. The 'strategy process' was basically their turf – a planning and investment round that the consultants had to adjust to – while the forecasts the consultants worked on had already been developed by the company (and, indeed, its previous consultants). Unequal power relations were a keynote of this case and were reflected in client managers' continually chipping away at consultant ideas and solutions. For example, in one instance the company had handed over to the consultants an industry study conducted by an investment bank, ostensibly to help them. But in fact this was a thinly veiled attack and the report was viewed as a much more original analysis than anything the consultant had put together.

The early stages were particularly difficult for the consultants – indeed, many ambiguities of the project were unclear even to the client. At this stage, clear signs of dissatisfaction with the consultants' efforts came from the client side; the consultants were seen as 'data driven' and schooled in a too-rational approach. They were seen as overly cautious about giving insights unless backed by financial and statistical data.

> We have almost been challenging them to be bolder – not to get in trouble but to be a bit more provocative. They seem to be . . . maybe that's because they don't operate a lot at this level, but more at the

next level down, just in retail or just in a piece of the business rather than the overarching segment. They seem to be really cautious in some areas where we don't think they should be. I mean it's fine, if it gets shot down, then it gets shot down, but at least it has got some energy. So we have actually been pushing them quite a bit to not just work on the little incremental stuff.

(Client-firm project manager)

Here 'outside expertise' which is consultants' chief asset was of doubtful value. Second-hand strategy from industry rivals was not what the client wanted, and the consultant had to walk a narrow line. The client wanted to know what rivals were up to, but these initial stages were all about ideas generation. At the same time the consultants were given free rein and (deliberately it seemed) little guidance or feedback. Later the emphasis shifted to insight and analytics but was still fresh and challenging.

We were clear in the differences and capabilities of what we needed from [the consultant]. This is more about analysis and strategic thinking. We don't want data analysts. I don't want a whole team of data analysts. What I do want is – and I don't want necessarily creative and innovative ideas, we're kind of beyond that. What I do want is based on the data we do have, based on the understanding of the strategies and what the overall portfolio looks like, how we can shape that. It is more about strategic thinking based on the data we have.

(Senior client project manager)

Nevertheless, over the course of the project, what was shaping-up as a predominant 'failure narrative' changed to one of success. Several 'opportunity areas' were identified as worthy of further analysis. And, crucially, the CEO declared himself pleased with the outcome. Potentially it provided him with a full strategic agenda for the coming year and the consultancy firm was hired for a further stage. As work progressed, a number of staff from the client side moved on and new faces came onto the project. Objectives seemed clearer and there was greater access to the operating managers. The client and consultant teams worked systematically developing the opportunity areas. The new client project manager now praised the consultants' ability to 'challenge' her. This turnaround may have been due to greater commitment and skills on the part of the project manager; or that the scope and lines of communication were

more clearly defined, or simply that the consultants understood better 'the way things work at [the company]'.

## The risk management narrative

The second narrative also reflected the growth and diversity of the corporate world and expressed itself along the main dimensions of knowledge type, context, and power. This was another kind of large-scale consultancy project, namely the implementation of a new computer system. The regional building society that was the client had made the decision to replace its IT infrastructure, motivated, among other things, by concerns over the age and adequacy of the existing system and changes in the regulation of financial services organizations. After a tendering process, a supplier had been selected that was an established software house supplying retail banking systems, and the proprietary system that was purchased was in fact used by 40% of UK's building societies as well as some banks. The contract was worth a little over £2 million and represented a very significant investment to the society.

The riskiness of the system implementation seemed almost the defining identity of this knowledge narrative. In terms of the possibility of the technology ultimately not delivering, and the consequences if it did not, the spectre of failure was never far away. The new system impacted on all the society's products and it had to work. The society had not quite burnt all its bridges – the old computer system was continuing to support the business – but senior management had gone out on a limb for the new system. Bringing in a proprietary system may be the classic low-risk option as far as IT textbooks are concerned – the very term 'package' implies a trouble-free black box – but computer packages are rarely the stable products they are supposed to be. In this case, the new system had been brought in partly because the old one could not cope with increasingly stringent levels of financial reporting. But surprisingly it turned out that the new system was problematic insofar as it was uncertain whether it would actually comply with statutory regulations.

> *Client relations consultant:*
> I think to be fair neither [we] nor our client base really appreciated how much work was required to make our system compliant. Both us and the client base, to be fair, were caught out by the size of the work that was needed to be done.

*Interviewer:*
Because the FSA [Financial Standards Authority] were issuing regulations, really, right up to the last point, weren't they? And continue to do so.

*Client relations consultant:*
Well exactly, and that was the problem. Also we were waiting for quite some time for final documentation to come through and we were working on what we had, and that's all we could do, and suddenly new stuff came through etc. etc. So it put constraints on from the time perspective as well as being able to deliver in the time that the users needed it by . . . So I take some comfort from the fact that if [client building society] had decided to go with another supplier rather than us then I think they would probably have experienced exactly the same problems. That's not to say that I'm pleased with what's happened at the [client building society], but I think we are one of a number of software suppliers that have been caught out a bit by the size of the development needed.

The basic currency of client–consultant exchanges was a technical knowledge type. Much of the discussion at meetings was about monitoring the stages of systems development, such as systems testing, conversion to the society's databases, interfaces with other networks and so on. Here the detail of the proprietary information system merged with an equally technical financial services language, making the overall tenor of meetings embedded in a complex industry language.

   The context in which work was carried out was that of project-based learning and the client managers and consultant specialists formed a relatively unified and harmonious team. If the previous case had had a 'cosmopolitan' atmosphere, this one was decidedly 'local'. The project team bridged the client and consultant organizations and established strong if temporary loyalties. In all of this, the size of the organization (compared with the previous case) was a factor, but also the regional background of staff meant that relations were informal and affable. A lot of humour laced the interaction; they swapped stories about sporting and other events, and joined in celebratory events (such as an end-of-project dinner).

There is a very good relationship. I mean, clearly at times it has got fraught and we've all probably as individuals dealt with it in our own individual ways. But no, there has been a good working

relationship . . . We've sparked off a couple of times, but there's always been the other end and having a laugh. And you have to. And that's one of the things I think's important about the team, we have really gelled well. And yeah, we've had our frustrations and we've had our moans and things have gone wrong, but overall we've got a tremendous sense of achievement out of it as well. Because we were under a lot of pressure, and to actually get it in and working, touch wood, pretty well, we did get a sense of achievement.

<div align="right">(Client-firm manager)</div>

Power in this case seemed relatively evenly distributed between a knowledgeable consultant and a paying client. Disagreements about the contract frequently occurred, and despite overall harmony, managers were not averse to 'playing hardball' over the interpretation of contractual details. We recorded a number of examples of struggles over unexpected problems that meant extra work for consultants, or ambiguities in the development of some new feature. On the other hand, the technology had moved on, and the client had had to 'go to the market' to obtain state-of-the-art material. The consultant clearly was in possession of superior systems knowledge to what could be supplied in-house and could claim legitimate areas of expertise.

## Discussion

The two case studies presented a range of applied and relational knowledge forms realized in organizational settings. The simple/complex narrative construct demonstrated this heterogeneity, not just noting 'differences' but providing a systematic framing of differentiation. What each narrative was about and what its essential features were enabled comparisons to be drawn between different business services. The indissoluble links that others have stressed between different aspects of knowledge (e.g. Bloomfield and Danieli, 1995) overlapped and mingled in the basic character of the narrative. Nevertheless, the three narrative dimensions – (1) knowledge properties, (2) context and (3) power – specified differences in knowledge-intensive work.

### Knowledge, context, and power

(1) As indicated, the basic properties of knowledge were marked in one case by risk and in the other by uncertainty (Table 9.2). Other things being equal, uncertainty is more problematic for organizations, but in these cases significance of outcome was also a factor. In the building

*Table 9.2*  Defining the case study narratives

|  | **The creative strategy narrative** | **The risk management narrative** |
|---|---|---|
| 1. Knowledge properties and types | • A primarily 'creative' ideas-driven exercise supported by formal data models<br>• Consultant in possession of knowledge hardly differentiated from management's | • A predominantly 'technical' industry language with elements of managerial and sector knowledge<br>• Consultant in possession of key proprietary technical knowledge |
| 2. Work and organizational context | • Extreme uncertainty surrounding the basic creative task<br>• Problem of translating between technical and creative levels<br>• Fairly loose dependency relationship | • High levels of risk in the basic technical task<br>• Problem of averting the possibility of system failure<br>• Tight dependency in the client–consultant relationship |
| 3. Power context | • Powerful and demanding client<br>• Asymmetric power relations | • Knowledgeable client and technically expert consultant<br>• Relatively symmetric power relations |

society, the levels of risk attaching to the IT system were borne relatively equally by client and consultant. The client, in particular, was heavily dependent on the system going live on the appointed date. There was a strong sense of senior management having bet the bank on the new system. In the energy company, the creative narrative almost by definition involved uncertainty, though this seemed more heavily borne by the consultant. The client, in this case, seemed relatively relaxed about the outcome.

The contrasting creative and technical knowledge types in the two cases were not 'pure' but, within the narrative framework, tainted with elements of other types. Creative strategy depended on work on data models from the businesses and profit centres done by junior consultants. In fact, one could almost read this 'technical' element approaching a *de facto* dominance, as the client felt the consultant was erring towards safe solutions and not producing daring and innovative ideas.

Likewise, the management of risk generated forms of knowledge other than predominant technical knowledge. In the building society, the main day-to-day representative of the consultant software house was the project manager (there for 'technical' input) but there was also a client manager. This division of labour is common in the IT industry and reflects the near-impossibility of hybridizing technical and managerial skills in one person. The client manager's job was to manage the relationship to the supplier's head office (where remote systems work was carried out) and he was also extensively networked into industry user groups and competitor building societies. Together with experienced senior internal managers he effected the circulation of sector-level knowledge.

However, it was also true that a defining emphasis in each case could be identified. The creation of novel ideas in the strategy process was linked with tendencies to 'read' the consultant's task almost as an unfolding drama. From both client and consultant sides, the packaging of the process and how ideas would appeal to corporate levels were central issues. Should we put this to the CEO? How will that play? At what forum should we present this? Much time and effort also went into pondering over the temperaments and proclivities of individual consultants. This consultant was a process person, that one was more results driven. What work were they comfortable with and did they sense what the real objectives were? This level of sheer organizational work was more or less absent from the building society case. There the circulation of sector knowledge and the related network of contacts represented social knowledge and capital, but there were no more 'personal' elements in the work.

(2) Moving on to the next dimension, the work and organizational contexts of the cases, in neither was there the kind of change process involving powerful stakeholders that is often typical of change management. Hence both contexts may have been somewhat simplified. In the energy company, the consultant did have to deal with the business units, but this was in terms of getting data from them (albeit foreshadowing potential changes further down the line). The essential problem for the consultant was a kind of translation problem – the intuitive leap from detailed data models to the kinds of inspired strategic ideas the client was demanding.

In the building society, the problem was of a different order, namely whether the system could be made to work. The spectre of failure looming over this project was perhaps the key contextual element of decision-making. While there were no difficult problems with multiple stakeholders, handling the relationship between individuals on the

client management and consultant sides periodically threw up crucial dependencies. Client and consultant were bound together, and neither could 'walk away' in the event of the project hitting rough waters (something that did seem possible in the other case).

(3) Finally, in terms of the power dimension, this aspect of client–consultant exchanges was understandable only in terms of pre-established asymmetries. The critical literature on management consulting represents power asymmetry in terms of contrasting perspectives and reciprocal images that client and consultant hold of each other. The norm of the knowledgeable consultant, who guides and controls a dependent client, is echoed in a critical academic analysis which stresses consultants' persuasive powers to define their own knowledge as indispensable (e.g. Bloomfield and Danieli, 1995; Clark, 1995). On the other hand, others have pointed out the assumptions being made: managerial agency and sagacity are being ignored (e.g. Sturdy, 1997a). In order to try to synthesize these positions, yet others have argued for a contingent view of client–consultant interaction, allowing that power dependencies may vary from context to context (Sturdy, 1997b; Fincham, 1999) (see Chapter 4 by Pinnington and Suseno, for a discussion of similar issues with regards to in-house lawyers).

The case-study data reflected this last position. The energy company represented a powerful client, a global giant looking for ideas and input from consultants, but using them for pre-defined purposes. It was an example of a top-level corporate client trading knowledge with a top-level consulting firm, and the power asymmetry leaning towards the client. The building society case represented more equal terms of trade. This resembled the traditional scenario of the consultant in possession of know-how the client lacked.

## Power again

The conceptual framework, however, contains the implied suggestion that context and power represent increasingly 'deeper' levels of analysis and more fundamental ways of understanding how knowledge gets formed and transferred. The contexts in which different kinds of knowledge (technical, creative) are embedded tell us more than merely specifying the content or properties of knowledge. Power takes us further into the conditions of possibility and constraints on the forms that knowledge can take. Power is known for its 'layered' qualities and unseen faces (for example Lukes, 1974). In both of our case studies, pre-existing power relations formed this kind of deeper context, and underlying power relations as well as active power exchanges were a

crucial latent context, in terms of the constraints under which knowledge was constructed.

In the building society, the age and inadequacy of the existing IT system and statutory changes in the regulation of financial service organizations were immediate reasons for developing a new system externally, but there was also a parallel political dimension. This revolved around the role of the internal information systems (IS) function. The existing computer system had been custom-built in-house. It had evolved into a 'unique product' that effectively formed an independent power base for internal IS. In the eyes of senior managers they were 'almost semi-detached from the rest of the organization'. In this context the move to buy in packaged software represented an almost classic case of reducing technological dependency on an internal group.[1] And client–consultant interaction took the form it subsequently did only because of this subordination to senior management and the technology supplier.

> I think our IT staff are a long way from being able to [develop the new system] yet. Some of the discussions we've had around the design – they're struggling just to get the skill set up because, well, they've not been able to develop their own part of the system. So whilst they're doing the implementation, and looking after the present system, which is still working, we're trying to get them skilled on computer use. But as fast as we're getting them reskilled then people are wanting to use other skills, so there's this constant sort of chasing.
>
> (Client-firm manager)

Also implied here is a view of 'knowledge' diametrically opposed to many usual assumptions. Learning and acquisition of knowledge are almost universally seen as a kind of asset and as having constructive consequences for groups and individuals. Knowledge is equated with capability and competence. But here new skills and knowledge were part of a process of dispossession; they were intended to distract the IS people and tie them to an emerging managerial hegemony.

In the energy company, this same theme of a historic power structure being part of the 'story' shaping knowledge was also evident. Here a key sub-plot was that another, more prestigious, consulting firm had for several years been the 'preferred partner' for strategy consulting and enjoyed a close relationship with senior managers. The client, seeking a 'fresh vision', had decided to give the work to the current firm; they wanted to 'try them out' and have a 'second opinion', while the

consultancy was reportedly 'hungry for the work', leading to a complicated power game.

> I think they wanted a fresh pair of eyes. But it so happens that I have also done lots of strategy work with [the client company]; I know the senior management pretty well, so I don't think it was that we impressed them so much more. It's nice of them to say that but my perspective is that they know us very well, they know [the other strategy firm] very well, and they decided to go with us this time, and it is at the moment just another strategy project in another area. And, guess what, we beat [the other strategy firm] but it's kind of becoming in many ways – and there are other firms involved – but it is becoming a bit of a two-horse race on many projects, which is great for us and great for [the other strategy firm]. But it puts a lot of added pressure on us because everything is looked at now on a much more holistic basis. If you mess a project up it has a much higher risk than the old days.
>
> (Consultant)

In this interesting quote we see something of how the sides were playing it. The consultant does not slavishly fall in with the client's control stratagem – he prefers to interpret the relationship with the other consulting firm as 'a two-horse race' – but still the pressure the client exerts is acknowledged and confirmed. As with the other case, managers from the client firm effectively played one expert off against another and used different specialists to keep each on their toes.

## Conclusion

The above account was built on changing views of business services. These are beginning to be viewed less in terms of stereotypes of firm governance and accredited work, and research is increasingly accommodating other occupations. Activities like consulting and IT/systems, in particular, are being seen as harbingers of change in corporate structures and in the whole configuration of the business services sector. The heterogeneity now beginning to be explored increasingly recognizes that across the sector, knowledge-based occupations supply very different inputs and quasi-managerial activities.

Exemplifying this, the two case studies we referred to produced discrete forms and usages of knowledge. In one, for instance, knowledge was rarely called into question while in the other legitimacy was

always under scrutiny. In part the differences were simply contingent on knowledge types and properties. A technical form of consulting contrasted with what was primarily an exercise in creative thinking. But context and power also impacted. In the technical consulting case, proprietary knowledge was prominent (albeit there were also shared forms of knowledge) while power relations were fairly symmetrical. The case of creative strategy making, by contrast, involved a client who set the hurdle high and consultant knowledge had to be sympathetic to internal needs. Power asymmetry widened as the consultant possessed no really distinctive skills over and above the client's.

The knowledge exchanges in these cases were expressed in distinctive 'narratives' as well as departing significantly from the professional norm. In the chapter, we sought to develop the scheme outlined by Czarniawska (1998) stressing a 'thematic' dimension rather than the more usual biographic aspects of narrative. This format was particularly suited to analysing knowledge-intensive work. Whilst 'consultant knowledge' has no separately constituted body of theory it ranged across technical, relational and sector-specific forms of know-how. Consulting activities like strategy and systems could be linked with individual narratives and signatures for groupings. In particular, dimensions of the work context of knowledge exchanges, and power asymmetry in client–consultant relationships, as well as knowledge types were included. Such elements were part of the story for knowledge to be understood, and our analysis produced quite different understandings of 'knowledge' from the usual emphasis on positive assets and capabilities. Though often elusive and critical, power was drawn fully into the narrative framework.

Ultimately the narrative construct was a loose framework. There were overlapping dimensions and it was sometimes ambivalent whether this or that aspect of interaction should be classed as a power relationship or an aspect of work context, or some other element of the framework. But 'narrative' provides for elements of the story to cohere. The emphasis on the extended narrative framework highlighted the linkages between different dimensions and latent aspects of context.

## Notes

1. Pettigrew's (1973) classic charted the struggles that ensued between senior management and a group of programmers in the early days of commercial computing in the retail industry. There was no bought-in package used to outflank the programmers here, as packaged systems had not been developed this early, but the scenario of management coming to resent the power that control of a system confers on a technical group was a familiar pattern.