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Management Consultancy and Organizational Uncertainty

The Case of Internal Consultancy

Abstract: *This study analyzes one of the most neglected dimensions of uncertainty in the field of management consultancy—the fragile existence of consulting organizations and organizational units. Drawing on interview data from internal consulting units, the authors ask what the key sources of organizational uncertainty are that consultant actors face and how these actors address them. In doing so, a fourth, organizational, form of uncertainty is added to those already established in studies of consulting (namely, product, relationship, and institutional uncertainty). The findings also improve our understanding of uncertainty in the broader theoretical context of professionalization through non-traditional means by raising questions about the stability of securing legitimacy as a “corporate profession.”*

Uncertainty, and attempts at its containment, remain central to modernist thinking, especially in the field of management and organizations. Traditional concerns with contextual uncertainty persist alongside the ambiguous nature of management knowledge itself (Jauch and Kraft 1986). Within the literature on management consultancy, similar concerns are evident. Uncertainty is a central

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concept in that “the consultant role is seen as reproducing in heightened form the uncertainties of managerial work” (Fincham 2003, 68). In particular, consultants are used by managers to help reduce uncertainty, and yet the intangible nature of consultants’ work means that service quality and project outcomes are often uncertain. In the case of joint working, the responsibility for those outcomes is also uncertain. Thus, consultancy can, paradoxically, serve to intensify management uncertainty, not least because consultants’ outsider status and potentially conflicting motives can undermine trust (Rogers 1999). In addition to this combination of what might be called *product* and *relationship* uncertainty, there is *institutional* or sector uncertainty arising from an unregulated movement to and from the industry (Armbrüster 2006).

In common with other occupations, management consultancy has sought to reduce these uncertainties through a process of professionalization. However, rather than follow the traditional routes, management consultancy has sought legitimacy through alternative market based criteria, collectively referred to as “corporate professionalism” (Kipping, Kirkpatrick, and Muzio 2006; Muzio et al. 2011a). While this form of professionalization seeks to address product, relationship, and institutional uncertainty, in this article we examine the extent to which it is able to meet the challenge of an additional and neglected source of uncertainty, that of the continued existence of consulting organizations themselves; what we term organizational uncertainty (OU).

Aside from studies of the career anxieties of consultants in large firms (O’Mahoney 2007), very little attention has been given to the uncertainty of consultants and their organizations (see Sturdy 1997). The neglect of organizational uncertainty might seem unsurprising given the almost uninterrupted growth of the sector (Gross and Poor 2008). However, consulting firms do still fail and yet research into the mortality rate of consulting is rare (see Keeble and Schwalbach 1995), with only “scant attention (paid) to the competitive mechanisms of the consulting market” more generally (Armbrüster 2006, 68). Furthermore, it could be argued that organizational uncertainty is particularly significant in that many of the other forms of uncertainty discussed in the consulting literature are common to management more generally. In the case of organizational uncertainty however, a key characteristic is the discretionary nature of consulting use. Few contemporary organizations operate without management, but consulting organizations are subject to the uncertainty of whether clients will purchase their services as opposed to using internal capabilities or competitors. Client rejection in favor of another firm is commonplace, even for successful operations. Admittedly, organizational decline and failure in consulting can be difficult to identify or observe. Indeed, a phone that fails to ring in a consulting organization or the absence of emails constitute a “dog that doesn’t bark”—a partly silent process of decline.

In this article, we pose two research questions: What are key sources of organizational uncertainty (OU) in management consulting that consultant actors face; and how do consultants seek to address the resulting uncertainty? The broader

aim behind these empirical questions is to complement existing theories of uncertainty within consultancy by adding an *organizational* dimension. In addition, we seek to advance our conceptual understanding of consulting as an occupation, in which concern over professional status and credibility has obscured issues of organizational failure.

We address these questions by focusing not on the conventional domain of consulting research—*external* consulting firms—but consultancy that is internal to the client firm. In keeping with the institutional uncertainty of consulting, we take a broad view of the work of internal consultancy units as the provision of management expertise and advice/facilitation within an organization, but without direct authority over colleagues in the planning of organizational change (see Lacey 1995). Internal consultancy is often associated with a traditional “staff” role, and can take a variety of forms such as “independent subsidiaries or as departments embedded in the corporate hierarchy; as centralized headquarters functions or as decentralized, local staff; as profit centers billing market prices or as free internal services” (Armbrüster 2006, 113). This field shares many characteristics with that of external consulting, but as we shall see, its precariousness makes it a particularly useful site for exploring OU.

Uncertainty—management consultancy and professionalization

Uncertainty is central to an understanding of management consultancy. As outlined in Table 1, we argue uncertainty in consultancy can be understood in terms of the *product*, *relationships*, and *institutions* of consultancy, as well as the neglected area of uncertainty of *organizational* form and existence.

Consultants have often been portrayed as a means through which client uncertainty over how to achieve objectives can be reduced (Sturdy 1997). However, a key problem remains in the uncertainty or ambiguity of consultancy outcomes because the “product” cannot be effectively judged (e.g., Ernst and Kieser 2002). Even with more tangible work, and where clients have expertise similar to that of consultants (knowledge symmetry), outcomes are often co-produced with clients, so that even if they can be identified in the short term, impacts and responsibility cannot be isolated. Similar issues exist in assessing quality prior to commissioning. This also illustrates aspects of “institutional uncertainty”—a lack of a clear market boundary or agreed quality standards, qualifications, or service lines, all of which can serve to undermine client trust.

In terms of relationships, the traditional agency problem of uncertainty over whether the agent will have the desire, power, or knowledge to act in the principal’s interest (Fincham 2003) is complemented by the fact that consultants may actively reinforce client uncertainties. Their rhetorical and other efforts to generate market demand may persist over and above client interests (Sturdy 1997). Clients seek to reduce these uncertainties through various means such as professionalized purchasing practices (Werr and Perner 2007), repeating business with trusted individuals

Table 1

Key dimensions of uncertainty in management consultancy

1. General	Consultants used with aim of reducing environmental uncertainties for client managers, but sometimes having the reverse effect (Sturdy 1997).
2. Product	Ambiguous nature of consultancy work makes quality and outcomes (e.g., added value) and their assessment uncertain, exacerbated by prevalence of co-working with clients (uncertainty of responsibility) (Ernst and Kieser 2002).
3. Relationship	Consultants' outsider status in terms of their organization, occupation, and/or knowledge can render the relationship with the client uncertain, for example in terms of trust (Kipping and Armbrüster 2002).
4. Institutional	The relatively open (and shifting) boundaries of consultancy work and the consulting industry affect client confidence over the nature of the product, its quality (as above), and the continuity of providers (Armbrüster 2006). The "unbounded" nature of the industry and profession also creates uncertainties and anxieties for consultants (Sturdy 1997).
5. Organizational	Consultant uncertainty over organizational existence, form, and/or development arising from market demand, especially given the discretionary nature of consultancy usage by clients.

or firms, and seeking word-of-mouth recommendations from trusted peers as a "social substitute for service quality" (Armbrüster 2006, 80).

At the broadest level, OU in consultancy is represented by organizational "mortality" statistics (Keeble and Schwabach 1995) whereas at the micro level, these can be seen as the outcome of numerous individual products and client relationships that have failed. In short, OU in consultancy is intimately linked to consultant dependence on client choices. These choices can be reduced to the standard uses of consulting for clients in acquiring expertise, extra resources, legitimacy, or the facilitation of organizational change (Sturdy 2011). Thus, one could then speculate along the following lines. OU in consulting would increase when the expertise of line management (or consultants' other competitors) increased, such that demand for consulting expertise declined or was less predictable, or when the professional status of consultants or legitimacy of outsider advice declined.

Given that our focus is on the experience of OU in internal consultancy, we briefly examine how OU might compare here with that in external consulting. This is complicated, for while internal consultancy is sometimes in competition with external consultancy, it is also partly legitimized by it. Internal consultancy succeeds in part because of the wider success and appeal of external consultancy. Thus, an increase in OU in external consultancy (perhaps as a result of a fall in the occupational status of consultants) does not necessarily mean that OU for internal consultants would decline. Indeed, more generally, many factors affecting OU are likely to be the same. For example, both forms of consultancy can be seen as a way

clients seek to reduce environmental and associated existential uncertainty. Thus, we should be able to draw out some general insights about OU in consultancy from the case of internal consultants. Indeed, OU in internal consultancy may be higher than that in external consultancy based on a number of factors: (1) client preferences for the independence and expertise of external consultancy; (2) internal consultancy's dependence upon a smaller client base; (3) reputational vulnerability from the greater role of internal consultancy in change implementation and greater transparency through the internal grapevine; (4) internal consultancy as a less institutionalized internal service function, which renders it more prone to rationalization; and (5) the long-term use of internal consultancy might lead to a loss of distinctive value (going "native"). What seems clear then, is that internal consultancy should form an especially suitable site for exploring OU in consulting, even if there are likely to be differences between these contexts.

OU is not only significant in terms of whether consultancy continues to operate. It also has implications for the professional identity of consultancy. This too has been neglected, despite uncertainty and its reduction being a central theme of professionalization. Here, those aspiring to a professional status claim expertise that can mitigate the uncertainties of client groups (e.g., patients, defendants, or executives). However, professions themselves are subject to uncertainties around their ability to establish and maintain jurisdiction over specific knowledge and practice domains. For example, they are often in explicit competition with other expert groups (Abbott 1988; Armstrong 1986) or subject to the threat of deprofessionalization or fragmentation from corporate organizations (Reed 1996, 2007). In the case of management consultancy, debates around professionalization have focused on its relative failure to reduce product, relationship, and most notably institutional uncertainties through the pursuit of a "traditional" process of professionalization (e.g., codified knowledge base, influential professional association, controlled/single entry point into the profession). Instead, with regard to institutional uncertainty, it remains a disparate industry without clear jurisdiction over a specific area of expertise. It is also dominated by large corporations which, in the United States and UK at least, have ultimately resisted attempts to develop independent professional associations characteristic of many other professions (McKenna 2007; Muzio, Kirkpatrick, and Kipping 2011b).

Despite such apparent failure and resistance, both firms and individual actors in consulting have adopted a broader discourse of professionalism in an effort to secure wider legitimacy (Kitay and Wright 2007). Muzio et al. (2011a) see this as characteristic of corporate professionalism that pursue a different form of professionalization project. In particular, corporate professions reduce product, relationship, and institutional uncertainty not so much through the establishment of an abstract body of knowledge and more distant relationships with clients, but through the use of industry-specific knowledge developed in alliance with clients and evaluated in terms of "added-value." As such, this approach, "may present the

basis for a new pattern of collective mobility” (Muzio et al. 2011a, 444) and better explain how management consultancy can establish legitimacy and credibility. We aim to extend this theoretical development by assessing how far corporate professionalization is affected specifically by OU and the position of consulting as a discretionary purchase.

The research

Given that most studies of internal consultancy focus on the role of the individual consultant (see Wright 2009), the research project from which the data in this article derive examined the *organization* of internal consultancy. As noted earlier, we adopted a broad view of internal consultancy, with the result that organizational units included not only those who were formally designated as such, but also other specialist departments or groups whose staff provided advice and facilitation to operational managers and viewed a core part of their job as involving consulting skills (e.g., business improvement). The theme of OU emerged as a key concern of consultants and their managers and developed into the specific research questions outlined earlier. These were addressed primarily through semi-structured interviews as outlined below.

Interview respondents were selected following approaches to senior managers in large organizations identified (from professional publications, websites, or networks) as containing an internal consulting unit (ICU). In total, 93 individuals were interviewed from 25 UK organizations. This is, to our knowledge, one of the largest ever studies of internal consultancy organizations, spanning financial services, telecommunications, manufacturing, and health care as well as various local and national government departments. Interviews lasted between 45 and 90 minutes and were digitally recorded and fully transcribed. Interview data were also supplemented with documentary sources including project reports, marketing material, and work plans. In order to develop a broad analytical framework through which the organization of internal consultancy could be better understood, data analysis involved a coding of the transcripts in line with the research questions. A wide range of issues were identified and these were organized into a series of analytical dimensions such as relationships, expertise, and identity.

The data revealed a range of insights into OU which are developed below through the use of illustrations in which organizations are made anonymous through the use of pseudonyms, such as TransCo for a transport company. However, there is a broader methodological significance to our study as well, at least in the context of consulting. Our emphasis on the dynamics of internal consultancy units addressed an issue that is rarely considered within the study of consultancy, outside of explicitly historical studies of individual organizations. Such a focus allowed us to explore the way in which consulting organization changes and is dependent on client demand and/or anticipation of it. Although there are obvious methodological problems with

retrospective oral accounts of change, such as nostalgia and selective recall, such accounts are still able to surface dimensions of organizational arrangements and experience that are invisible in accounts focused only on the present.

Organizational uncertainty in internal consultancy

The following analysis focuses on the experience of OU by internal consultants, their views on its origins, and how they sought to reduce it. First, we show the importance of OU to consultants and how it was expressed. Second, we examine two specific sources of uncertainty—key client and sponsor relationships and sustaining expertise and credibility in domains valued by clients. Third, we identify a paradoxical source of OU that stems from the consultants' efforts to sustain an independent professional identity.

Seeking a place in the organizational structure

OU was a strong theme in the ICUs we examined. For the majority, it was persistent, meaning they had an ongoing requirement to justify their existence. In other cases, uncertainty was experienced more intermittently or was less immediate. However, even when internal consultants considered themselves to be in a stable situation, challenges to their existence often emerged. Indeed, five of the ICUs that participated in the research were ultimately disbanded.

Typically, OU was founded on an acute awareness that ICUs were a discretionary service, a luxury even, and so susceptible to cost cutting. This was summed up by the manager of one ICU in GovAgency1: "Always hanging over us is that the chief executive, the chief operating officer, the financial . . . are going to say, 'All right, guys.' And pull the plug on the team, and the internal consultancy team just goes overnight. That could be a possibility."

In other words, ICUs faced considerable difficulties in establishing themselves as a core activity for the organization. Indeed, their form and purpose were often not widely understood compared to those of external consultancy or other managerial functions. These uncertainties around the embeddedness of internal consultancy were exacerbated by the difficulty many units had in establishing a stable location within the organization. In some instances, they were centralized—moved from an operational department to a support unit for the CEO. In others, they were decentralized and experienced a contraction of their remit. In a similar fashion, ICUs that had previously operated with some independence were relocated into service functions such as human resources management (HRM). As already intimated, changes to the structural location of different ICUs could result in them being disbanded altogether. In one organization, TransCo, for example, changes to the senior management team led to the ICU being decentralized into a service function where it was no longer able to justify its existence under different organizational imperatives.

Relationships: Sponsors and networks

We became almost seen as that deputy CEO's eyes and ears around the organization, which was actually quite detrimental to what we were trying to do. (FinCo4)

Given the precarious structural position of ICUs as a discretionary service, almost all internal consultancy managers were concerned to ensure that they had senior-management sponsorship as well as good relations with clients and potential clients. For the most part, this was seen as a necessary condition for success and survival, especially in difficult economic circumstances. Not only would it provide explicit protection, but the status and legitimacy it conferred could also encourage line managers to use the service. However, as intimated in the above quotation, there were risks associated with this form of relationship, such as the loss of independence.

A number of ICUs had very close links with their chief executives or deputies. In TransCo, the deputy CEO used the high status of the ICU (prior to its closure) to address wider issues within the organization, as explained by the ICU manager:

I think part of the benefit of having us there for (the deputy CEO) was he could maybe scare (other) people a bit sometimes, in terms of he would say, "Well, I'll give this to the guys who sit around the corner (the ICU) and they'll sort it out for me," and that would cause everyone (else) to go off and work a little bit harder.

In LocalGov1, the ICU manager also recognized the potentially problematic nature of their links to the CEO, claiming that "some people are suspicious of us" and that it also "closes some doors because we're close to him." As a consequence, ICUs faced a paradox whereby the status and organizational security conveyed upon them through the sponsorship of a senior manager was, on occasion, a source of uncertainty because the ICU had few other forms of legitimacy, such as respect for expertise, or sponsorship served to undermine them (see also below). Such dependence is starkly illustrated in the case of FinCo4, where the ICU was effectively disbanded after its sponsor and executive director retired and was replaced. According to the ICU manager, the new director "[t]ook one look at it and said, 'What you're doing, the HR department ought to be doing, and the other bit that you're doing, the managers ought to be able to do for themselves. I don't want an internal consultancy anymore.'"

In some cases, ICUs responded to this source of OU by seeking to reduce their reliance on individual senior managers and developing relationships with a wider network of managers through more or less formal relationship-management practices. In the case of GovAgency3, such activity appeared to pay dividends in that, when the unit was disbanded as a central operation, pleas were successfully made by the ICU to former clients and it was able to re-form as various decentralized units. At the same time, however, active relationship management was also reported to have drawbacks, as explained by the manager of the ICU in GovDept1: "The danger then is, of course, you get floods of requests for work which you can't

do.” In other words, addressing one source of OU served to highlight and even exacerbate another: that of the ICUs’ broader resource inflexibility in terms of staff numbers and expertise.

“Value-added” and expertise: To consolidate or diversify?

I said to my people, “Reputation, reputation, reputation.” If they abolished us tomorrow, what would change? So reputation is all, really. (GovServ3)

The above comment highlights how the discretionary nature of internal consulting makes credibility key to the survival of ICUs. They need to be seen as both expert and capable of delivering “added value” to clients and remain relevant as client needs and sponsor preferences change. In the case of GovAgency1, perceived weaknesses in the skills and abilities of the individual consultants prevented the ICU from developing an expert image. As the manager explained: “If I had a team of people that the business [clients] would say, ‘I want them working for me, because they’re part of this internal consultancy team. Get them in here (be)cause these guys are sharp.’ We haven’t got that image and I don’t think we’ll get that image.”

Whether warranted or not, the lack of expert status meant that some internal consultancies were bypassed in favor of both internal and external alternative providers. As noted earlier, for external consultants such rejection was often invisible or soon forgotten. By contrast, internal consultants were often confronted with the existence of projects for which they had not been considered suitable. For example, one internal consultant in GovDept1 spoke of how the ICU was viewed in relation to alternatives, including external consultants: “I tell the anecdote of my own boss who said, ‘Oh, (Manager X) wants this piece of work [done]. It’s certainly not a McKinsey’s job, we might call on the externals on our (preferred supplier) framework, the second league . . . or we could even let the internals have a go at it.’”

For many ICUs, the ability to affect these choices depended on the extent to which they were able to demonstrate added value through their work. This is illustrated in GovDept2, where a report written by the head of the ICU prior to its demise argued that: “unless it can *prove* its worth it (the ICU) will be seen as an expensive non-core luxury, ripe for sacrifice to meet headcount reductions” (emphasis in original). This was not, however, necessarily a quantitative exercise. Much depended on how “strategic” the services and staff were perceived to be. In this case, their work was seen as “low level,” meaning the ICU was not “well known or respected at more senior levels.”

Relatedly, OU also derived from the expertise of the unit being seen as outmoded or otherwise stigmatized. This was a particular risk if it was associated with a branded product or methodology. In CommsCo for example, a group of internal consultants who operated within a broader ICU considered themselves part of “the secret Six-Sigma society” because this particular methodology had acquired

a negative image across the organization. They continued to use the approach, but under other names.

A common way to address a perceived lack of status and expertise was for ICUs to diversify into other areas, typically more strategic ones. For example, in FinCo1, the ICU had initially been focused on operational efficiency through time and motion studies. However, by both design (e.g., recruiting in skills) and chance (client requests), it became involved in broader change and program-management activities. Unusually, it also began to consult to external clients, customers of some of its internal clients. This was a significant development for the ICU and recognized as such by senior managers from outside the group, one of whom argued that the shift in focus meant, “they have become a lot more relevant. Their overall purpose and relevance to the company, all our businesses, improved very considerably.” Diversifying into external work also reduced OU by generating direct revenue. It also had the added benefit of raising the ICU’s credibility with internal clients—they could compete in the external market—and had honed skills in new areas.

Diversification of services or clients could help to reduce OU founded on inappropriate expertise, but also carried risks. In FinCo4, an attempt to develop an external consulting service was sharply rejected by the senior sponsor. Also, there was the possibility that new services would not be valued or that the ICU would lack credibility in delivering them, especially in relation to externals. Yet a number of ICUs aspired to being able to deliver more strategic services and not to be associated simply with what they had become known for. As we shall see, such actions were not always founded on a concern to reduce OU, but a concern for professional independence and identity.

Beyond organizational uncertainty: Credibility to clients and sustaining a consulting identity?

I think there are definitely occasions where the right answer is to say “no.”
(FinCo3)

The foregoing shows how ICUs experience OU and actively seek to reduce it. However, they sometimes seemed to act in a way that could intensify OU or at least undermine client relationships. In particular, they would turn down client requests for work. Given that for all but a minority of ICUs, internal clients are the *only* source of work, this seems to be a high-risk strategy. It could suggest that OU might not be as keenly felt as it first appears or that there are other dynamics at work, such as a desire to simultaneously assert a consulting identity as an independent expert and establish credibility.

Almost all the consultants we interviewed resented being used simply as an additional resource or “extra pair of hands” when clients had a project, but lacked the “bodies” to do the job. Many ICUs actively sought to reject such work, but it was not always possible politically. Tensions and disputes arose around the appropriate use and longer-term viability of the ICU. At FinCo1 for example, resisting being

used as a “body shop” was seen as key to sustaining credibility and lessening OU: “We say ‘no’ to some projects. . . . I say never appear willing to be the ‘minute taker,’ the admin . . . because I also think it does our reputation no good at all if we’re seen as that extra pair of hands.”

Credibility was by no means assured by turning down “inappropriate” work, especially from powerful clients and sponsors. Even more generally, there was the risk of losing goodwill and so, in most cases, ICUs developed detailed work prioritization methods. In FinCo4, for example, projects were prioritized on the basis of the seniority of the project sponsor and the likelihood that the work would have a sustainable value. These methods not only helped in allocating limited resources to various projects, but served as a legitimizing tool to placate clients whose requests were being turned down and communicate to them the value and status of the ICU. In some cases a balance would be sought by offering to train clients to do the work themselves, suggesting that ICUs were keen to communicate a “professional” identity. Indeed, in addition to consultants’ reluctance to be used as extras, they also resented a purely legitimating role and sought to avoid such work if possible.

Discussion and conclusion

Having identified the centrality of uncertainty within the consultancy literature and the neglect of consultants’ uncertainty, especially in terms of organizational survival, this study provides insight into the different forms that OU takes within internal consultancy units. Aside from its prior empirical neglect, such a focus is important conceptually in that OU is a more distinctive form of management uncertainty (linked to consultancy being a discretionary purchase) and also forms an important part of the occupational and professional dynamics of consultancy. Our analysis outlines the importance, expression, and sources of OU reported by internal consultants and we have revealed some of the ways in which ICUs have sought to deal with such uncertainty. We now summarize these findings and then draw a number of wider conclusions about OU in consulting and professional status.

OU was clearly a significant and persistent concern for ICUs. This did not relate just to organizational survival, but to significant relocation or transformation. Most of our cases had experienced such changes, typically by imposition, although not all were anticipated. Thus, we can distinguish objective vulnerability from the experience of OU. In terms of the latter, and our first research question, our data suggest that OU emerges from three basic sources: (1) sponsor dependence or what might be seen as *who you know*; (2) matching expertise with client demands, or *what you know*; and (3) occupational norms of independence, or *what you are willing to do*. Our second research question explored how consultants sought to address each of these issues and identified relationship management, diversification, and work prioritization as key, but these too presented risks or dilemmas for both consultants and their managers (see Table 2).

First, ICUs were highly dependent on the sponsorship of one or more senior

Table 2

Dilemmas of organizational uncertainty

Dimension of OU	Reduction strategy	Dilemma/risk
Sponsor dependence— <i>who you know</i>	Relationship management to wider network of sponsors and clients	Raised and competing expectations from clients over expertise and resources
Inability to match changing client demands for value-adding, “high-level,” and up-to-date expertise— <i>what you know</i>	Product and market development/diversification; up-skilling	Lose core business and sponsorship; fail to compete with alternatives in new market
Consulting norms of expertise, independence, and advice— <i>what you are willing to do</i>	Work prioritization system—saying “no” tactfully or with compromises	What is gained in professional credibility is lost in internal market: ICU does work that is merely legitimating; it is seen as an extra resource

executives, almost regardless of how direct clients perceived the quality of their work. Continuing to exist relied on such sponsorship, especially in the context of organizational rationalization. However, overdependence in terms of a link with a single individual or being seen as his/her agent carried risks of losing an identity with clients as independent or professional and of being relocated or disbanded when key sponsors left or changed roles. One way of reducing such dependence was to extend relationship-management practices to a wider network of potential clients and sponsors. However, this too brought risks in raising expectations over what could be delivered to disparate individuals and groups.

The second source of OU identified also relates to dependence on client needs for expertise and, in particular, the ICUs’ inability to address or keep up with changing demands for value-adding, high-level (e.g., strategic), relevant, or up-to-date services. Here, the approach of ICUs to reducing OU included various forms of diversification in products and markets, as well as recruiting and developing new skills. This was sometimes successful, but again carried risks, such as losing reputation gained from previous work and of moving into fields seen as better served by other providers, such as project managers or external consulting firms.

Sponsorship and expertise were, then, the two principal sources of OU identified in our study. A third theme to emerge in our data was that of consulting identity. Here we found that OU is not always explicitly an overriding concern of consultants or, at least, may exist partly in tension with other priorities and related uncertainties. In particular, we saw how sustaining a valued occupational or professional identity can both reinforce and lessen OU. Thus, although serving client needs for standardized services or simply acting as a “body shop” or “rubber stamp” might help to alleviate OU, maintaining the status of expert, strategic, and independent may override such pressures. It is a fine line between continuously meeting im-

mediate client needs for a known service and becoming taken for granted and the service losing its perceived value. Managing client demand to the extent of not always being available or accepting work as offered—by saying “no”—can also increase OU, at least in the short term, but, along with diversifying, has the potential to secure a longer-term organizational existence. Through such formal mechanisms as work prioritization, it also helps to sustain the professional identity and status of the unit and its members.

What broader implications can be drawn from our analysis for understanding uncertainty in the context of consultancy? In many respects, internals and externals are used for similar purposes and therefore are exposed to similar uncertainties. However, we have also pointed to areas of difference, not least in the greater ability of externals to pursue different senior sponsors. Of course, without direct comparative research, our conclusions about differences can only be tentative. For example, although we can confirm that OU is experienced intensively in internal consulting, we cannot confirm why OU might be greater in this particular context. However, we can see how, in the case of internal consulting, the standard consulting-wide practices of relationship management and product, market, and personal development derive in part from a concern to achieve organizational security rather than just income or growth. Similarly, work prioritization methods are fed by competing and potentially overlapping concerns with OU and maintaining an occupational identity.

In general, we might expect greater concerns among internal consultants to not alienate clients and more intense commercial pressures for income in external consulting, perhaps with similar results—pressure not to say “no.” What does seem clear however, is that what we have termed *general* uncertainty in management consultancy is not simply a question of clients using consultants to relieve their anxieties, but that shifting client demands and consultant dependence on clients creates uncertainty among consultants and their organizations (Sturdy 1997). We still do not have direct evidence of this in external consultancy, but the above analysis suggests that this is likely and should form the basis of further research work. For example, a decline or even an absence of growth in external consultancy is likely to make OU much more visible—the “dog might begin to bark”! Similarly, we have seen how addressing OU, through diversification, political moves, and regulating work supply, although sometimes necessary, also brings dilemmas and carries risks.

Our examination of OU also contributes to developing an understanding of the professionalization of consultancy and, in particular, the concept and project of corporate professions. Here we suggest that each of our three dimensions of OU (who you know, what you know, and what you are willing to do), and their associated dilemmas, caution against the assumption that this form of professionalism is a stable basis for achieving status and credibility. First, corporate professions are, according to Muzio et al. (2011a), more likely than traditional professions to establish close working relationships with specific clients. However, as we have

seen, a reliance on certain sponsors and working with a limited client base can undermine as well as support legitimacy.

Second, adding value through applying knowledge in a commercial context is central to the idea of corporate professions. However, we have shown how sustaining the added value of expert knowledge is not only difficult in itself, as organizational priorities change and particular methods lose their impact, but also that diversifying into other knowledge domains has risks. Consequently, the use of more market-based measures has the potential at least to increase rather than resolve uncertainties around the status and legitimacy of management consultancy. Importantly, our third main finding, that internal consultants recognized the need to balance the risk of OU with the need to maintain an independent identity, also suggests that there was some awareness that status and legitimacy has to be based upon something more than simply pursuing client interests. Being able to associate with a broader professional discourse of consultancy appeared as important to internal consultants as meeting short-term client demand.

Our study has revealed the critical role of OU in the practice of management consultancy and highlighted its expression and sources and the dilemmas it creates. Apart from developing the notion of uncertainty in consulting conceptually, we have engaged with parallel debates around professionalization and corporate professions in particular. However, the limitations of the study point to the need for further research. First, the relative neglect of the client view hides a key dimension of OU and innovation policy, namely, pursuing the alternatives to internal and external consultancy. We still know little of managers and other “organizational innovators” who actively choose not to use consultancy and the alternatives that are adopted or available. Second, our reliance on interviews means that the precise nature of various consulting activities was only partially revealed. This remains a problem in consultancy research, where practices such as sales pitches, price negotiation, and relationship management are poorly understood, especially in relation to OU. Third and finally, our attempt to draw out some of the dynamic features of internal consulting through interviewees’ accounts of their organizations’ histories was quite successful, but it pointed to the need to give far greater attention to the dynamics of consultancy either through historical or other longitudinal studies. This might also shed light upon the alter-ego of OU, which has been largely taken for granted, namely the confidence and certainty of consulting organizations that remains evident in many contexts.

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