

Management innovation through standardization: Consultants as standardizers of organizational practice

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FORTHCOMING IN RESEARCH POLICY.

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Abstract

Management innovation and the consultants who promote and support it are both typically associated with the 'new', with departures from the norm and from standard approaches. Indeed, standardization is often seen as an impediment to innovation, especially in the current 'post-bureaucratic' era. This article challenges such a view, arguing that consultant-led management innovation is often highly standardized. Based upon qualitative research into internal consultancy in large business organizations, both standardizing *agendas* and standardized *methods* are identified from a range of consultant-led management innovation programmes. The analysis then points to some of the structural and cultural features of organizations that lead to managers favouring incremental, standardized approaches to change, even if these are often contested. In conclusion, the article points to the need to consider a range of different dimensions in the relationship between standardization and management innovation.

Key words: *management innovation; standardization; management consultancy; organizational change; change methods.*

1. Introduction

While long considered key to organizational success, innovation has become an imperative in the post-bureaucratic discourse of enterprise (du Gay, 2004). Management innovation, like other innovation processes, is intimately concerned with the 'new'; specifically new management ideas

and practices which emerge through a process of exploration and are introduced through various forms of organizational change (Birkinshaw, et al., 2008). Increasingly, such processes have been aligned with particular individuals and groups who possess novel characteristics, orientations, structural positions and/or skills appropriate to enterprise. 'Change agents' such as management consultants are often characterised as a key source of innovation (Ginsberg and Abrahamson, 1991). They are considered well positioned to transcend organizational inertia and challenge existing norms through discontinuous innovation (Kipping and Engwall, 2002). For example, Clegg et al. (2004) see management consultants as engaged in the 'disruption of dominant orders' (p. 36) and freeing 'practitioners from the "iron cages" that organizations become' (p. 37).

Such views of management innovation appear to stand in marked contrast to those of organizational standards; that is, of established, persistent, rule-bound and measurable processes. Here, researchers have stressed the way in which organizations (voluntarily) adopt externally-determined rules that bring their activities into line with those of other organizations (Bénézech, et al., 2001). Interpretations of such phenomena stress the isomorphic tendencies that standards promote in terms of convergence towards common industry or professional norms, and their regulatory role (DiMaggio and Powell, 1983). While the broader standards literature has focussed on issues of technological innovation (e.g. Farrell and Saloner, 1985), the role of standards in the process of management or organizational innovation is less well developed. Standards and standardization appear to represent the 'iron cages' of organizational control and regulation that, many argue, impede innovation. Indeed, conventional conceptions of standardization appear immiscible with the calls for 'generating truly novel ideas' (Hamel, 2006: 76) which are 'new to the state of the art' (Birkinshaw, et al., 2008: 829). At the same time however, some have argued the opposite and pointed to how closely related dimensions of bureaucracy, such as formalisation, can actually support innovation, by providing an 'enabling'

structure through which to capture, exploit or implement existing knowledge (Adler and Borys, 1996). Here, management innovation is seen as innovation in its broader and, perhaps, more mundane sense, as much more than exploration, invention or the creation of new knowledge.

In this article, we build on these insights in relation to the role of management consultants in particular, and argue that the characterisation of management innovation and innovators as reliant on new, novel and path-breaking invention misrepresents a large part of the innovation process in organizations. Based upon qualitative research into the organization and role of internal consultants in the UK and Australia, we show how management innovation¹ in large organizations can be highly *standardized* and *standardizing*. The article is structured as follows. Firstly, the literatures on standardization, innovation and consultancy are selectively explored, before outlining the research methods employed in the study. We then examine data from multiple case studies of consultant-led innovation in different organizations. While our internal consultant respondents emphasized a spectrum of activities, we focus on their standardizing roles. These include firstly, acting as agents in the implementation of large-scale organizational change, where the core focus is on ensuring organizational adherence to procedures and/or the achievement of performance standards (what we term '*standardizing agendas*'). Secondly, we point to some of the standardized ways in which this is pursued, such as codified change management methodologies (what we term '*standardized methods*'). We show that even seemingly loose and flexible ideas, where there is significant 'interpretive viability' and local autonomy, such as team-based working or cultural change, often assume a standardized form by virtue of their dissemination through consultancy and the centrally controlled organization of innovation. In the final discussion, we show how different dimensions of the relationship between innovation and standardization are helpful in understanding these processes, and point to some

¹ We take management innovation to include marketing, strategy and organization innovations as defined in the UK Community Innovation Survey. This is also known as 'organisational innovation' and often occurs alongside technological change (see Battisti and Stoneman, 2010).

of the reasons why more standardized, incremental innovations occur within organizations, as opposed to more exploratory and revolutionary changes.

2. Standardization and Management Innovation

Within the popular business literature innovation is often portrayed as the antithesis of standardization. For example, business magazines such as *Fast Company*, and business gurus such as Peters (1994) have built a widespread following based upon the promotion of 'new' business models, entrepreneurial managers and a post-/anti-bureaucratic discourse of revolutionary change (cf. Hales, 2002). Taken at face value, this contrast between management innovation and standardization appears self-evident. Popular conceptions of innovation emphasise the creation, discovery and application of new ideas, practices or objects which challenge or supersede accepted patterns of behaviour and activity (Birkinshaw, et al., 2008). By contrast, standards and standardization refer to rules which imply similarity, uniformity and continuity of behaviour, actions or beliefs (David and Rothwell, 1996). According to Peters for example, the standardized 'organization man' (Whyte, 1956) is indicative of the controls that demanded conformity, homogeneity and selves devoid of difference. He now claims that 'chaos is with us...but the way to deal with it is to pursue variation, not to manage (stifle) it' (Peters, 1994: 51). To be innovative, as a manager or an organization, appears to necessarily involve the rejection of standardization and its bed-fellow, bureaucracy, and the creation of new, path-breaking, diverse and unique ideas, practices and processes. Moreover, such post-bureaucratic depictions of organizational change emphasise the need for *continual* innovation, in that 'refreezing', or standardizing, new practices is seen as no longer sustainable (Kanter, et al., 1992). Such populist interpretations have found application in research around management innovation and consultancy. For example, in Thrift's (2005: 36) account of 'knowing capitalism', management consultancy is seen as a key 'generator and distributor of new knowledge'. More specifically, Clegg et al.'s (2004: 40) depiction of consultants stresses their role in enacting 'new

worldviews, new ways of world-making, and to encourage people to disrupt established ways of thinking ... a walk on the edge'.

This tension between innovation and standardization is by no means new within organizational literature. Classic studies have highlighted how bureaucracy undermines attempts to develop innovative products and processes (Burns and Stalker, 1961). Thompson (1965) for example, argued that bureaucratic organizational structures, prevent the dissemination of innovation which requires open communication, increased internal mobility, and the dispersal of power and influence. Such views have been persistent so that, to be innovative, seems to require at the very least, looser organizational structures and a dilution of standardization, if not a complete rejection of bureaucracy (Adair, 2007).

However, in suggesting that innovation is centrally concerned with novelty and diversity, key qualities are lost. As David and Rothwell state with regard to standardization – ‘the kernel of the problem.....can be construed to be nothing more, and nothing less than the fundamental issue with which all social organizations are confronted: where to position themselves on the terrain between the poles of “order” and “freedom”’ (1996: 185). Here, each ‘pole’ offers not only organizational benefits, but scope for change, and even variation. Standardization of products and processes for example, reduces variety and creates order, but this offers the potential for improved performance via routinization, simplification and cost economies. Moreover, while often conflated with reducing creativity, standardization may also offer innovation advantages by creating common languages and methodologies for investigation and experimentation, and encouraging a process of incremental improvement based on previous experience (e.g. learning by doing). This theme is developed by others such as Adler and Borys (1996), who show how formalisation can be enabling of innovation, especially when it is of a form directed at improving task performance rather than the control of labour. In each case, the oft-used metaphor of jazz

improvisation is apposite in the sense of achieving creativity *within* and *through* the medium of established works and rules (Barrett, 1998). Indeed, some argue that creativity of some form is inevitable in almost all contexts (i.e. including standardized ones) through the continual translation of ideas and practices (Ansari, et al., 2010; Latour, 1986). Such adaptation, however incremental, can occur to such an extent or over such a long period of time that ideas and practices are deemed to be transformed into something else – to be ‘re-invented’ (Rogers, 2003). Finally, in parallel with earlier concerns to achieve both innovation *and* effectiveness, attention has focused on different forms of innovation. In particular, it is argued that organizations need to be able to both *exploit* existing knowledge and capabilities and *explore* or create new knowledge; to be ambidextrous (see Raisch, et al., 2009; Benner and Tushman, 2003). To this we might add other distinctions within the realm of innovation, such as between its development and implementation phases, which imply the need for structural hybridity (Pierce and Delbecq, 1977).

In terms of *management* innovation specifically however, there has been much less attention given to standardization or bureaucratization, perhaps because of the popular association of management innovation with radical change and with achieving competitive advantage through difference. Here, management innovation is seen as being ‘without known precedent’ and ‘new to the state of art’ (e.g. Birkinshaw, et al., 2008: 829). There are however a number of levels at which standardization appears important. This is implied in the more explicitly subjective, and less commonly adopted, definition of innovation which acknowledges that newness is relative and what may be well-known at a general level, may be highly innovative for a specific manager or organization (Rogers, 2003; Mol and Birkinshaw, 2009). From this perspective, management ideas and practices which are promoted as ‘best practices’ and standards to be emulated, are often viewed locally as radical innovations. This is most apparent in the literature around ‘management fashions’, in which normative models (e.g. TQM, BPR, Six Sigma) are

commodified, popularised and promoted as new standards essential to organizational competitiveness, although their adoption is argued to result in increased commonality of business practice (Abrahamson, 1996). Indeed, critics argue that such 'process management' approaches result in an emphasis upon a specific form of innovation which prioritises the exploitation of existing organizational knowledge and 'crowds out' more exploratory innovation (Benner and Tushman, 2003).

Standardization is not only evident in the system-level adoption of management fashions, but also predominates *within* organizations, where the process of consistently instilling new management ideas implies organizational standardization, even if this is not always achieved in practice or without conflict (Kostova and Roth, 2002; Ansari, et al., 2010). For example, the implementation of a new organizational culture initiative will often be accompanied by new organizational standards and rules that seek conformity in practices and behaviour that parallels earlier forms of bureaucratic control (Courpasson, 2000). Furthermore, their introduction is typically achieved through the use of generic and highly structured project and change management techniques (Worren, et al., 1999). Hence, as we outline in Table 1, there appears to be much about the process of managing management innovation that is highly standardized. However, this has received relatively little attention, especially in terms of the role of management consultants to which we now turn.

INSERT TABLE 1 ABOUT HERE

2.1 *The role of management consultants*

Management consultants are often central figures in not only the promotion and diffusion of new organizational practices, but also their implementation. As management 'fashion setters', consultancies are important agents in identifying, popularizing, selling and then measuring and

comparing ('benchmarking') new standards of organizational practice. For some critics, these activities signify management consultants' standardizing role as 'capitalism's commissars' (Thrift, 2005: 93). More specifically, the trend for management consultancies to assist client organizations in the implementation of change highlights how their role extends into embedding such standards (Morris, 2000). Consulting practices can also exhibit a further level of standardization, with an emphasis upon codified systems of change and project management – a standardization of consulting (Werr, et al., 1997).

While a growing literature has explored the role of management consultancy in management knowledge diffusion and organizational change (e.g. Sturdy, et al., 2009), little attention has been specifically directed to consultancy's role in innovation. Bessant and Rush (1995) for example, have highlighted how consultants act as intermediaries or 'bridges' in the organizational adoption of technological innovation (see also Howells, 2006). Hislop (2002) has focussed on the other side of the relationship – the role of the consulting client in innovation - and explores how consultants' standard models of implementation are subject to varied degrees of active client intervention, resulting in divergent patterns of technological and management innovation. Taken together, these studies suggest that the role of consultants in management innovation is likely to be significant, involving elements of standardized practice, although how this actually plays out remains under-explored. In this article, we focus on this research gap by exploring the role of *internal* management consultants in the process of management innovation. Internal consultants are specialist managers and groups (e.g. in operational efficiency, human resource management and strategic planning) *within* organizations who facilitate and direct 'client-requested change without formal authority to implement recommended actions' (Scott, 2000: 4).

While normative conceptions of management consultancy stress a discourse of creativity, customization and novelty, we shall argue that standardization is an important part of the practice of consultancy. Furthermore, in some cases, while the approach or style of internal consultants may be 'advisory' and 'facilitative', consultants can effectively act as regulators or controllers through the power of their sponsors. Beyond identifying the different forms of standardization which internal consultants enact, we seek to understand some of its outcomes, specifically in terms of the potential for customization and translation of management ideas through negotiation with clients. We also point to why standardization remains a key feature of organizations and theoretically, to the importance of different dimensions in the relationship between standardization and innovation.

3. Research Approach and Methods

3.1 Research Design

This article derives from a broader research project into the role and impact of internal consultants in the process of organizational change. The research was conducted in the UK and Australia during 2007-2010 and involved an exploratory, qualitative approach investigating internal consulting groups operating in large corporations and public-sector organizations. We adopted a broad definition of 'internal consultancy' which included not only those who were clearly designated as internal consultants via their job or unit title (e.g. 'business improvement consultant'), but also other specialist staff who provided advice, facilitation and expertise to operational managers, typically on a project basis involving consulting skills. Given internal consulting is an activity which lacks clear definition and standing, potential research sites were identified through an analysis of articles in professional publications and websites. Following approaches to senior managers in these organizations, we undertook over 90 semi-structured interviews with internal consultants and other managers (clients) in over 30 organizations

including multinational corporations in financial services and telecommunications, manufacturing companies, government departments, and local health care organizations.

As part of this broader study, a key theme that emerged early on in our data analysis was the issue of 'standardization', specifically in terms of the internal consultants' expertise and methods, but also as part of broader organizational change efforts. This was a theme that surprised us, given that, as we have seen, much of the normative discourse on consulting emphasises creativity and customised/non-standard interventions (e.g. Clegg, et al., 2004). This is not to say that our respondents identified themselves strongly with a standardization role and certainly not with bureaucracy. Rather, they were concerned with 'change', 'results', 'delivery' and 'consistency'. This initial inquiry led to the central research question of this paper; what are the different forms and outcomes of standardization evident in consultant-led management innovation?

To explore this research question we identified seven organizations which demonstrated different features of standardization we had discerned from the broader study. The choice of a multiple case study approach to this research question was guided by the exploratory nature of our investigation and the desire to gather rich, qualitative data about the varying forms and implications of the standardization of consultant-led management innovation (Eisenhardt, 1989; Yin, 2003). In addition, comparison between case studies offered the advantage of external validity lacking in single-case investigation (Gibbert, et al., 2008), and the multiple case approach is one that has been used extensively in studies of innovation and change (e.g. Dougherty, 1992; Ferlie, et al., 2005; de Vries, 2006). The seven organizations we selected were all large, from different sectors and demonstrated different aspects of standardization (e.g. innovation agendas and methods). As detailed in Table 2, the cases included: the human resource consultancy of a UK-based global financial institution (*BankCo*); an internal

consultancy responsible for sales and dealer training in the Australian division of a global car company (*CarCo*); a group overseeing business transformation in the UK operations of a global telecommunications company (*CommsCo*); the culture change consulting unit in a major Australian financial services company (*FinCo*); the project team overseeing the implementation of an enterprise information system in a major Australian food company (*FoodCo*); a team-working consultancy in a local UK health care organization (*MediCo*); and a business improvement consultancy in the Australian operations of another global telecommunications company (*PhoneCo*). The choice of these seven organizational cases was not intended to provide a representative sample for generalising to a larger population, but to assist in the generalisation of theory and concepts (Eisenhardt and Graebner, 2007), specifically to provide a deeper theoretical understanding of the process and dynamics of standardization in consultant-led management innovation.

INSERT TABLE 2 ABOUT HERE

3.2 Data Collection & Analysis

Within each case organization we undertook further interviews with a range of internal consulting staff and other relevant managers. A total of 61 interviews were conducted across the seven case organizations, although variations in the level of access and availability resulted in differences in the number of respondents in each case (varying from 5 to 16 respondents). As was the case in our broader study of internal consultancy, the interviews were semi-structured, lasted between 45 and 90 minutes and were digitally recorded and later fully transcribed. We asked respondents about a range of issues including the nature, organisation and methods of their work. We supplemented interview data with project reports, marketing materials and work plans in order to triangulate emergent concepts. The interview transcripts and associated documentation resulted in an extensive amount of rich and detailed qualitative data amounting

to over a thousand pages of text. In analysing this data we began by coding interview transcripts and accompanying fieldwork memos and notes, focusing particularly on the interviewees' perceptions of their role in the organization and specific examples of management innovation. Later stages of coding involved more focused interrogation of the data. To facilitate this, we used the qualitative data analysis software *QSR NVivo*, which allowed for an iterative and flexible process of initial data coding, hypothesis development, validation and recoding (Crowley, et al., 2002). In seeking construct validity, the researchers reviewed each others' coding choices and our interpretation of each case was typically fed back to key organizational informants to ensure empirical accuracy.

In the sections that follow, we draw selectively on our data (using pseudonyms to preserve organizational and individual anonymity) to illustrate key themes in the role of standardization in consultancy-led management innovation. Indeed, the extent of standardization found suggests that it is worthy of further research, and its particular forms highlight an otherwise unexplored dimension of the role of consultants in management innovation.

4. Internal Consultancy and the Standardization of Innovation and Change

As we have noted, the concept of standardization was not a theme we initially expected in our research. Indeed, in line with normative accounts of consultancy and popular discourses of management innovation, many interviewees in our broader study of internal consultancy stressed the diversity, novelty and creativity of their work, in which they challenged existing organizational norms. However, we also encountered discourses which presented a very different vision of consultancy. Rather than the imagery of the internal consultant as a 'rule-breaker', engaged in the free-form creation of organizational interventions, we encountered respondents who emphasised a far more bureaucratic role of formulating, promoting and

installing organizational rules and standards. Such standardization took a variety of forms and operated at different levels of organizational change. In particular, it was concerned with what we term standardizing *agendas* and standardized *methods*.

4.1 Implementing a Standardizing Agenda

One form of standardization emphasised by our respondents occurred at a macro organizational level and focused on the implementation of management innovations such as a new organizational culture, process of efficiency improvement or process redesign, often occurring alongside the introduction of new information technologies or broader organizational changes. These 'standardizing agendas' were aimed at the creation of new rules which shaped employee behaviour and sought compliance with new organizational standards. Internal consultants were often central actors in the creation, implementation and sometimes enforcement of these new rules – a form of consulting as regulation.

In many cases, these 'standardizing agendas' relied upon the importation of externally sourced management models and fashions. In keeping with other research cited earlier, many of our respondents stressed their role as organizational 'boundary-spanners' who had ready access to external management knowledge and could import such knowledge into their own organizations. In these circumstances they were sometimes assisted by external management consultants who provided such external standards or who worked in partnership with the internal consultants in customizing or exploiting external models to better fit with the specifics of organizational processes and practices (a first-level form of innovation via the adaptation of a generic standard to form a new organizational standard).

A good example of such a scenario was the internal culture change group in *FinCo*, a major financial services company. Established to reinvent the company's corporate culture and initiate

a 'cultural transformation journey', the internal consulting group consisted of thirty change consultants who, working with an external consultancy, designed a range of corporate values, and organized training sessions to disseminate the values and develop consistent management styles. Highlighting the 'standardizing' nature of this initiative, workplace posters promoted the new values and employees were given a 'values card' and encouraged to carry it with them at all times as 'a reference for decision making' (*FinCo*, internal document). Beyond the promotion of 'common values', the internal consulting group sought to measure precisely the impact of their change initiatives. As Susan, the head of the internal consulting group noted: 'So essentially we run an outfit which manages the [*FinCo*] culture'. The initiative was deemed by management and consultants alike to be highly successful and was widely reported as such within the business press.

A somewhat different example of a 'standardizing agenda' occurred at *FoodCo*, a large food processing company which, following a series of acquisitions and mergers, implemented a proprietary Enterprise Resource Planning (ERP) information system. Rather than a simple technological change, ERP implementation involves a complex redesign process in which traditional organizational practices are 're-engineered' to better fit with the assumptions implicit in the software. This might include for example, changes in the way production is planned, human resources are managed or financial activities are undertaken (Grant, et al., 2006). At *FoodCo*, a specialist internal consulting group was established specifically for the project, which, in collaboration with external consultants, planned and managed the ERP implementation via staged roll-outs of system modules and associated changes in working and management practices over a four year period. While keen to stress their role in implementing something which would 'revolutionize' the work of managers and employees, the internal consulting group focused explicitly on the integration of 'legacy' systems and the standardization of organizational

processes to fit with the requirements of the software (a so-called 'vanilla' implementation). As Jerry, the head of the implementation project argued:

We built a standardized business process to do things, be it procurement, inventory movements, production recording, how we set up our BOMs [bill of materials] across the business, all of those things...I think it is really about becoming a national company, with a national set of standards.

A common theme in such cases, was the emphasis internal consultants placed upon the standardization of business processes and attempting to eliminate local variations and idiosyncrasies. As Betty, the change consultant in *FoodCo* noted, 'we're trying to rein everything in to be [Company] One Way, which is a new strategy'. These standardizing agendas involved the adoption of external 'best practice' models of business processes and the reform of local practice to fit these new standards. Hence, the focus upon a 'vanilla' implementation implied the need to redesign company practices to fit with the 'best practice' standards of the software system and not 'bending' to local custom and practice or 'sacred cows'. Similarly, in the case of culture change at *FinCo*, emphasis was placed on moving from what were seen as ad hoc and often divergent values and visions in different parts of the organization, towards a new comprehensive standard of culture and values. Such change was invariably rationalised as a positive and innovative move for employees, in terms of improved quality of work and (paradoxically) reduced 'bureaucracy'. However, there appeared little room for the popular ideals of variation and the 'disruption of dominant orders' noted earlier. Hence, rather than innovative practice being inhibited by standardization, the standardizing agenda pursued by internal consultants was central to maximizing the impact of innovative activity. In short, standardization implied wide adoption.

The pursuit of a standardizing agenda was of particular significance for internal consultancies associated with a single managerial specialism. Such agendas were viewed as a useful mechanism for the dissemination of 'best practice' (in itself a driver for consistency), but were also seen as significant as a means of enhancing the credibility of that specialism. For example, at *BankCo*, a UK based global banking organization, the internal HR consultancy had developed an online tool that allowed HR managers to identify the links between effective people management practices and key business performance indicators. This was part of a wider policy of driving HR issues further up the strategic agenda. As Stuart, the consultant, explained:

You sit in an executive board meeting for a retail bank, all of them are looking at tangible, evidence based measures for how effective they are at sales, at customer service, at financial performance. So why wouldn't they expect to have some tangible measures for looking at the effectiveness of the people?

Internal consulting groups could therefore potentially gain significant organizational legitimacy in the design and promotion of these 'standardizing agendas'. However, many of our respondents questioned the merits of global standards within their organizations, placing value on local customization. We shall return to this issue, but clearly, whether by default or design, the extent of standardization will vary in practice within and between organizations. Furthermore, in a business world dominated by a post-bureaucratic discourse, it is also likely that standardization will often be underplayed, in much the same way that management has often underplayed the concept of control (Braverman, 1974). The traditional dilemma between 'order and freedom' is then not simply a matter of pragmatism, but emotionally, symbolically and politically significant.

4.2 *Standardized methods of organizational change*

Beyond the broader promotion and implementation of specific standardizing agendas, internal consultants exhibited a second form of standardization, through their own work, and particularly

the methodologies and practices they used in their daily tasks. A key theme here related to the often highly structured nature of consulting work, a theme that was pronounced, but not restricted to, where the consulting group focussed on issues of operational efficiency, business improvement and information technology implementation. Here, they often promoted their activities around identifiable, sometimes branded, management techniques such as 'quality management', 'lean', 'Six Sigma', or 'process reengineering' methodologies. For example, at *CarCo*, a global auto manufacturer, Keira, the 'Best Practice Consultant' outlined her role in facilitating and training staff in a codified *kaizen* methodology favoured by her firm:

the [Company] *kaizen* methodology is PDCA - so Plan, Do, Check, Act...First of all, you set the thing, then you define the problem and get your statistics, conduct interviews, go to the source of information. Then you do a resource analysis, you ask yourself the question "why do these problems happen", and then go through to finding solutions to the root causes that you've found, and of course implementation, confirm, check your measurements, see if you've actually improved things, and then standardize the process.

A more elaborate system of standardized productivity improvement was evident at *PhoneCo*, a leading global telecommunications company, where an internal consulting group of over 60 consultants applied a Six Sigma methodology to business improvement. Using the terminology of the Six Sigma methodology popularised by companies such as Motorola and General Electric (Pande, et al., 2000), the group included a hierarchy of 'Master Black Belts' who oversaw the development of Six Sigma skills and acted as a source of expertise for others. Highlighting the standardized nature of this methodology, it used a codified methodology of training and accreditation for 'Black Belts' and 'Green Belts', as well as standard methods of project management, implementation and evaluation. As Roy, the originator of the approach noted:

I mean the beauty of Six Sigma is that first of all we are able to train a set of competencies that we know...They've [Black Belts] also got a series of templates and tools they can apply without having to go and look them up, so you just get through the whole process a lot quicker. You also can monitor the progress, so if you go through the 'DMAIC' five phase problem solving process and they've said we want two weeks for this, one week for that, you can control it very simply...We know exactly what to expect with each of those.

Standardized methods were presented as providing a number of advantages for those in internal consulting roles. First, the association with defined methods could prove valuable in defining the consultancy group's expertise. As highlighted in the *PhoneCo* example, the originators of the scheme had deliberately chosen to brand their initiative around the well-known terminology of 'Six Sigma' as a way of increasing their organizational visibility and distinctiveness. Despite the high work demands and gruelling training schedule, the consulting group had little trouble finding volunteers:

You make the Black Belt role ideally the most coveted in the organization...It's like a graduate recruitment program for someone who has been working for a while.

The Six Sigma brand was seen as resonating with the company's project-driven 'can do' culture, as opposed to more generalised change approaches, and also satisfied organizational requirements for easily defined and costed improvements. Indeed, where such methods were recognised and valued by senior management, they could act as powerful symbols of legitimacy and status. As Keira noted at *CarCo*, the *kaizen* methodology represented a core pillar of the firm's broader corporate culture and gave her access to high status global gatherings of other *kaizen* company experts which were viewed as an elite within the global organization.

Second, standard methods of project and client management were seen as valuable in the management of the internal consultancy's work and in avoiding issues of 'scope creep', 're-inventing the wheel' and conflicts over the timing and prioritising of 'deliverables' for clients. These standard methodologies often provided a defined consulting process which clearly set out activities from problem diagnosis onwards – the consulting cycle (Lippitt and Lippitt, 1986). Indeed, many of the interviewees who emphasised such standard methodologies had a previous career background in global consulting firms where project, client and change management techniques were codified. In their move from external to internal consulting, these individuals brought with them a consulting mindset which was not simply one of enterprise, but comprised a familiarity with standard consulting methodologies that proved valuable in managing their own and others' work (Sturdy and Wright, 2008).

The advantages of standard change methods for the legitimisation of internal consultancy were particularly evident within *MediCo*, a UK based health organization. Here, the work of the internal consulting group focused on group facilitation or team building. (e.g. 'away-days'). The structured nature of the methods used by the consultants was also valued by clients for providing some structure and a common language for an otherwise chaotic process. For example, Anita, a client, commented:

I've worked in quite a few organizations and processes didn't happen, they'd start but they'd just fall apart because there isn't that structure of facilitation to it. He's (internal consultant) given it a really good structure, because we've identified all the actions that need to happen, and he's helped us with all the kick-starting the project and all the process mapping. It's been very structured, going through all the different processes and the different stages of assessment. So for me it's been absolutely key.

Here then, the structuring helped standardize the individual change process. Partly as a result of its success and reputation, the method was also standardized in the sense of becoming established throughout the organization, albeit with one exception - the senior management team – where it was felt that such a standard approach was not appropriate.

4.3 Contesting standardization: Conflict and negotiation over management innovation

While standardized agendas and methods of change held various advantages for internal consultants and some of their clients, standardization was also a source of potential conflict. For example, as Lyn, a change consultant at *FinCo* noted, other organizational divisions and functions often exhibited their own independent culture ‘which they think of course, is the best way of doing things’. This often required a more ‘gentle’ or subtle approach: ‘if we come from [head office] and say “we all have to do this”, that gets the backs up, so we always need to tailor [things] and work with them.’ Furthermore, even if senior client management were persuaded of the value of standardized processes, employee resistance appeared to be a continuing issue for many of our respondents. This followed familiar patterns of resistance to control, but more specifically it could involve managers and other employees creating ‘work-arounds’ to the required processes, or cynicism in culture change workshops.

Thus, standardization required some level of tailoring and translation if consultants were to achieve the buy-in of staff and embed their change agendas. For example, in another telecommunications company *CommsCo*, the internal consultancy was formed from a number of Six Sigma teams that had existed previously across the organization. Unlike at *PhoneCo* however, Six Sigma in this organization had become stigmatised as a lengthy and ‘excessively’ structured approach to generating business improvements, leading to resistance to its use across different business units. According to Graham, an internal consultant, this led him and other ‘Master Black Belts’ to call themselves:

'The Secret Six Sigma Society' we sort of started to use the whole methodology and approach without calling it Six Sigma. And actually we'd take the guys through a define/measure/analyze phase of a project, we'd get to the end with the outputs and the guys would sign up to the recommendations. And we'd actually then say, "By the way guys, do you realize that we're using a Six Sigma approach here?" And people were pretty stunned by that to be honest, that we were using it but they didn't know it.

Within this context then, the use of standard methods had to be disguised so they did not undermine the ability of internal consultants to drive innovation.

Given that much consultancy is concerned with various forms of rationalization, the standardized nature of the methods used could exacerbate fear and anxiety among clients if it was felt that solutions (i.e. cuts) were pre-determined by the method. As a result, despite stressing a codified approach to problem-solving and implementing change, many of our respondents also emphasised the need for client involvement or 'buy-in' in the process of identifying solutions. Hence at *PhoneCo*, 'Black Belts' were seen as providing process expertise which needed to be aligned with 'business owners' who had the local technical knowledge of a specific business process or activity that required investigation. Similarly, Keira at *CarCo* noted how she adopted a 'process consultant' (facilitative more than expert-based) approach to her interactions with client managers, which was less about solving the problem for her client and more about working together: 'I have to sit down and explain to them that we're not trying to impose a predefined solution on this outcome'. Such an apparently participative approach echoes Adler and Borys' (1996) earlier depiction of 'enabling formalization' as a potential path for improved management innovation, although the key question is the extent to which participation is, or is felt to be, genuine.

Such practices of consultation and client involvement are familiar to consultancy more generally, where explicit use of formal authority is either not possible, inappropriate or likely to be ineffective. Hence, while standardization was often a goal of internal consultants, both at the level of their change agendas and their methods, resistance and conflict highlighted the potential for some customization, or at least translation of both agendas and methods in local contexts. Indeed, the fact that the implementation of standardization was often subject to client and employee negotiation and resistance highlights the potential for, and even inevitability of, some creativity and variation within standardized models and methods. Nevertheless, such ‘tweaking’ of the standardized change fell far short of the free-form improvisation and exploratory experimentation celebrated in popular accounts of business innovation. Once again, a balance has to be struck between *perceived* ‘freedom’ and ‘order’, even if this may only involve a discursive acknowledgement of client and employee concerns.

5. Discussion

Our study has highlighted key elements of the standardized nature of consultant-led management innovation; something that is otherwise largely seen as ‘non-standard’. Through analysis of a specific sub-group of change agents, we found that the process of management innovation within organizations can be strongly shaped by both standardized *agendas* and *methods* as well as the resulting processes of conflict, negotiation and adaptation. This is a significant finding in that, although there are many claims made of management consultancy, there remain few empirical studies documenting its consequences in terms of innovation (see Sturdy, 2011). Furthermore, our study provides theoretical insight into the relationship between management innovation and standardization more generally (see Table 1). Many conventional and post-bureaucratic depictions of innovation see an inherent *conflict* between innovation and standardization. This was evident in some of the consultants’ discourse. However, our data also supports research which challenges this view, by demonstrating that within large-scale

organizations the two are much more closely intertwined and *supportive* of each other. Indeed, it suggests that the pursuit of a standardizing agenda and the use of standardized methods are predicated on the assumption that they will lead to (or enable) innovative practice. At an organizational level, the example of internal consultants promoting 'standardizing agendas' such as culture change programs (*FinCo*) or consistent business processes (*FoodCo*) highlights both the adoption of broader 'management fashions' as innovative models, as well as the role of internal consultants as 'standardizers' in regulating new uniform behaviours and attitudes. Much as with technical standards, companies adopting these 'standardizing agendas' sought increasing order, predictability and control over organizational activities. In this respect, standardizing agendas most closely paralleled Adler & Borys' (1996) depiction of 'coercive formalization', encouraging the diffusion of a new common model of organisational change, while also constraining opportunities for *local* innovation.

Standardization was also evident at a micro level through the use of 'standardized methods' such as codified business improvement, quality or change management methods. These techniques contributed to incremental innovation by providing a methodology through which existing practice and behaviour could be examined, investigated, and redesigned. They facilitated changes in business practice that were new to the user (Mol and Birkinshaw, 2009). For example, the use of the codified Six Sigma methodology by internal consultants at *PhoneCo* and *CommsCo* or the routine change techniques at *MediCo*, highlighted how standard methods could act to promote local innovation and learning (David and Rothwell, 1996). These insights resonate with the use of music and language metaphors of organizing, in which improvisation and flexibility are often underpinned by more or less codified and standardized forms of musical and conversational convention (Zack, 2000; Barrett, 1998).

Our data also highlight aspects of the third perspective we outlined, of an *ambivalent* relationship between standardization and innovation, most notably in terms of the relative nature of what constitutes innovation. In our study, the forms of management innovation can readily be seen as commonplace techniques of productivity improvement, process redesign and cultural change. However, even within this context, to some employees, they were new and highly innovative. Indeed, for the internal consultants we studied, who were the champions of these initiatives, discourses of innovation and invention were stressed in presenting the nature of their work and its consequences. This often involved downplaying the standardized and commonplace nature of their interventions in favour of a post-bureaucratic discourse and self-identity of 'rule-breaking', or emphasizing their 'non-hierarchical' role in customizing and adapting standard tools to 'best fit' specific organizational contexts and clients. Hence, the role of internal consultants as promoters of standard agendas and exponents of standard methods was sometimes a negative discourse that was sidelined in favour of 'creative' imagery more aligned to the popular business rhetoric of enterprise, diversity and chaos (Peters, 1994). Indeed, the status of such standardized knowledge was context-specific, and just as a branded management innovation such as 'Six Sigma' in one setting could be a source of legitimacy and advancement, so in another, the standardized approach needed to be obscured or rendered 'secret' to avoid negative client perceptions. Context is clearly important such that, in the dilemma between 'order' and 'freedom' mentioned earlier, consultants often found it necessary to adopt a chameleon-like rhetorical approach with clients in order to overcome the apparent contradiction of an appeal for innovation in business practice via standardized and controlling agendas and methods (see also Styhre, et al., 2010).

Given that each of the three views identified in Table 1 in some way resonates with the findings of our study, we suggest that rather than any one of them having greater explanatory relevance, each provides a different focus to the study of innovation and standardization. For instance, and

as summarised in Table 3, the first view has a *discursive* focus which asserts and promotes the oppositional nature of the two constructs. Here, almost by definition standardization is couched as anti-innovation, particularly by those who seek to sell specific practices and ideas as ‘new to the world’. By contrast, the second view focuses on the detailed *practice* of management innovation; specifically how standardization assists innovation diffusion and contributes to the exploitation of existing capabilities. Finally, the third view focuses on actors’ *perspectives*. Here, what one person sees as ‘innovative’, another conceives as routine and standardized and that, over time, unnoticed changes can become seen as ‘transformation’ (Ford and Ford, 1994). Identifying these different levels of analysis in the prevailing views offers a range of possibilities for future research in areas such as: the discursive strategies and effects underlying the promotion of management innovation; the practice of implementing non-standardized management innovation; or exploring how the meaning of a specific management innovation varies in different contexts.

INSERT TABLE 3 ABOUT HERE

Beyond contributing to the conceptualisation of management innovation and standardization, our research also provides insights into *why* incremental or exploitative forms of innovation remain a dominant feature in large organisations. Firstly, as we have seen, many corporate innovation programs are underpinned by an agenda of securing increased compliance with organisation-wide standards, be they business processes, cultural values or employee behaviours. This preoccupation with compliance and control remains a fundamental part of management (Willmott, 1997) and conflicts with more liberal visions of innovation as exploration, improvisation and difficult to emulate (Barrett, 1998). Indeed, the managerial identity around control appears to limit the potential for exploration. As Weick argues, ‘organizations typically pride themselves on the opposite, namely reliable performance that produces something that is standardized and

comes out the same way it did before' (1998: 552). Process methodologies such as quality management and Six Sigma as forms of exploitative innovation appear better suited to such modernist organisational logics, and through their adoption, appear to reinforce a bias for predictable outcomes and measures of organizational success, thereby marginalising the possibilities for more exploratory innovation (Benner and Tushman, 2003).

Second and relatedly, there is much about the way in which managers are educated and socialised that reinforces a bias towards standardized models of innovation. As we have seen in our study, association with structured methods of organisational change (such as Six Sigma) can be a marker of status and legitimacy, and confers access to fast-track career progression and more elite jobs. More generally, the growing legitimacy of the MBA degree and mainstream management consultancy as the preferred path for a management career, appear to have increased the focus on standardized templates and models of organizational change (Mintzberg, 2004; Khurana, 2007). These developments reinforce the bias for standardized innovation models and methods. For example, as Weick (1998: 552) again notes, young, technically-laden practitioners are often weak in improvisation skills given a drive to advance, a lack of experience and reflection, and 'little sense of what they need to know'. Many of those who led programs of standardized innovation in our study were former external consultants and had a strong affinity with branded methodologies. But the focus on standardized innovation is not limited to 'newly minted MBAs' and consultants. Other researchers note how senior managers and professionals are often preoccupied with short-term problem solving ('single-loop learning'), rather than questioning underlying assumptions, values and rules (Argyris, 1991). The adoption of performance management and reward systems based upon short-term indicators of shareholder value, revenue, cost or productivity are held to lie behind such trends (Tengblad, 2004; Staw and Epstein, 2000; Froud, et al., 2000).

A third factor underlying the limited adoption of more exploratory innovation is the resistance to change initiatives that also featured in the organizations we studied. Here, our data reinforces more general observations that innovation is often threatening and contested; that is, it is a highly political process (Van de Ven and Poole, 1995). For instance, in seeking to standardize corporate culture (*FinCo*) or different business processes (*FoodCo* and *CarCo*), internal consultants faced resistance from employees who perceived such innovation as threatening to local autonomy and sub-unit identity – as control. More exploratory and radical innovations which challenge the core assumptions of senior management (Benner and Tushman, 2003) are likely to precipitate even more effective resistance. They are simply ‘too new’ to those in power (Nootboom, et al., 2007). In these circumstances, exploratory innovation may require a more extreme impetus such as the creation of an organizational crisis by key stakeholders – ‘burning platforms’ - or, by contrast appropriate levels of organizational ‘slack’ to encourage experimentation (Nohria and Gulati, 1997). For many organizations however, the more minimal, measurable, standardized forms of management innovation we found in our study are likely to continue, even if for the employees themselves the consequences can sometimes be dramatic.

6. Conclusion

Set against the view that is prominent in popular management discourse of a fundamental contradiction between innovation and standardization (and consultancy and bureaucracy), we have argued that consultant-led management innovation involves significant standardization. This occurs both at the level of standardizing change agendas and standardized methods of implementation. Our research therefore complements work which is more sensitive to different forms of innovation and to a more complex relationship between innovation and standardisation. In particular, we have pointed to a variety of structural and cultural factors within large organisations which help to explain why managers favour short-term, incremental innovation over more exploratory and experimental change. We have also outlined how the literature on

innovation and standardization highlights different dimensions of the relationship – discourse, practice and perspective – each of which was shown to be theoretically important.

Our study also points to a number of broader implications for understanding management consultants and innovation, as well as organizational change more generally. Just as standardized and standardizing knowledge can be important to the work of internal consultants, so external management consultants often rely upon highly standardized templates and products (Werr, et al., 1997). This might suggest that consultancy should not be seen as comparable to jazz improvisation (Clegg, et al., 2004). Rather, the image of karaoke might be more appropriate. However, jazz is itself more or less standardised (Zack, 2000). Indeed, improvisation relies on this for its achievement. This brings us back to the broader issue regarding the relative nature of innovation and the choice of definitions used in research – new to ‘the state of the art’ or to the ‘user’. This is not to argue that innovation is wholly subjective, but that there is a danger of objectifying innovation in the former case and this can impede our understanding of innovation more generally. Indeed, we would suggest that further research is needed into perceptions of innovative and standardised practices as a whole. For example, it is not only the novelty of innovations which is relative but creativity and its potential as well. Following scholars of bureaucracy and standardization, we have seen how standardization can imply rigidity and a site for resistance for some, as well as a medium and outcome for change and incremental progress. For organizational boundary-spanners such as management consultants, this ambiguity can pose both advantages and disadvantages in promoting and implementing management innovation.

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Table 1: Different perspectives on management innovation and standardization

1. *Conflictual relationship between management innovation and standardization:*

(a) Management innovation as bringing novelty and variation, non-standardized:

Innovation involves the creation/exploration, discovery and application of ideas, practices or objects which challenge accepted patterns of behaviour and activity. They are 'without known precedent' or 'new to the state of art' and create diversity (e.g. Birkinshaw, et al., 2008).

(b) Management innovation as continual change (too fast for standardization) or translation:

Post-bureaucratic depictions of organizational change emphasise the need for continual and localised transformation/movement, such that 'refreezing', or standardizing new practices is seen as no longer sustainable (Kanter, et al., 1992). Similarly, theoretical concerns with process point to change or translation as almost inevitable. Standard forms of practice are exceptions (Latour, 1986).

(c) Management innovation impeded by standardization (and bureaucracy):

Bureaucracy and/or formalization impedes innovation which requires the diminution of standardization and use of more informal structures (Burns and Stalker, 1961; Thompson, 1965). Process management (standardized methods) reduce variance and favour incremental over exploratory innovation (Benner and Tushman, 2003).

2. *Supportive relationship between management innovation and standardization:*

(a) Management innovation assisted by standardization:

Standardization provides common languages and methodologies for investigation and experimentation, encouraging incremental improvement based on previous experience (David and Rothwell, 1996), especially when it is directed at improving task performance rather than employee control (Adler and Borys, 1996). Process management as standardization highlights incremental innovation (Benner and Tushman, 2003).

(b) Diffusion of management innovation reliant on standardization:

Normative management models and 'fashions' are commodified, popularised and promoted as new standards essential to organizational competitiveness (e.g. TQM, BPR, Six Sigma). Their adoption results in increased standardization of business practice (Abrahamson, 1996; DiMaggio and Powell, 1983).

(c) *Implementation of management innovation requires standardization:*

Standardization is implicit in the implementation phase of innovation, through a demand for organizational consistency and/or the use of standardized methods of implementation (Worren, et al., 1999).

3. *Ambivalent relationship between management innovation and standardization:*

(a) *Management innovation as subjectively new (standardized to others):*

Newness of idea or practice is relative to the recipient i.e. what might be well-known and established at a general level, can be highly innovative for a specific manager or organization (Mol and Birkinshaw, 2009; Ford and Ford, 1994).

(b) *Innovation as reinvention over time:*

Incremental change to standardised practices over time can lead to the perception of innovation as 'reinvention' (Rogers, 2003).

Table 2: Case examples of internal consulting standardization

<i>Organization</i>	<i>Context</i>	<i>Interview respondents</i>	<i>Forms of standardization</i>
BankCo	Global financial institution (UK operations). Internal consultancy part of HR Centre of Excellence responsible for delivering variety of OD projects.	Head of Employee Engagement; Employee Engagement; Resourcing Manager, Organizational Effectiveness; Employee Engagement Manager	Standardizing agenda aimed at achieving greater consistency across all divisions in the approach to leadership, development, learning and employee engagement. Evidence of negotiation with and resistance from divisional HR specialists around implementation of projects.
CarCo	Global automotive manufacturer and retailer (Australian operations). Internal consultancy responsible for distributor and dealer sales training and efficiency improvement.	Best Practice Manager; HR Manager; Divisional Sales Manager, Operations Development Manager	Use of a standardized method of process improvement based on quality management principles. Evidence of process innovation and internal diffusion of changed practice via standardized methods.
CommsCo	Global telecommunications company (UK operations). Internal consultancy responsible for large scale transformation project of major business division.	Procurement Manager; Business consultant; Head of HR; Managing Director; Program Director; Continuous Service Improvement; Change Partner; Head of Governance	Standardizing agenda aimed at delivering substantial cost-savings across division. Also a focus on standardized change management methods and continuous improvement activity. Evidence of resistance to standardized programme management reporting process and extensive negotiation with individual business units around project scope.

FinCo	<p>Australian financial services business. Internal consulting group of 30+ consultants charged with the design and roll-out of a ‘branded’ culture change process throughout the bank’s 30,000 employees. Process initiated by an external consultancy and then taken over by the internal consulting group.</p>	<p>Head of Cultural Transformation; Change Consultant; Manager, People & Performance; Organizational Change Consultant</p>	<p>Standardizing agenda of promoting corporate values and changing employee behaviour to fit with these values. Standardized methods of change and project management. Evidence of employee resistance, but limited customization across business units.</p>
FoodCo	<p>Australian food manufacturer employing over 1200 employees across a range of geographically dispersed production and distribution sites. Joint internal-external consulting project team charged with the implementation of an SAP enterprise information system.</p>	<p>QA Manager; Logistics Manager; Site Procurement Officer; Business Solutions Manager; Stores Supervisor; Change Manager; Production Supervisor; Production Planner.</p>	<p>Standardizing agenda associated with the implementation of an enterprise resource planning software. Focus on standardizing business processes in line with the software requirements (‘vanilla’ implementation). Use of standardized methods of change and project management. Some evidence of local resistance and customization.</p>

MediCo	Local UK health care organization employing over 3500. Internal consultancy of four full-time and approximately 30 part-time consultants (coaches) established after organization-wide team working skills programme.	Deputy CEO; Project Manager; Team Based Working Coach; Director Performance & Development; Director HR; Team Coach.	No evidence of a standardizing agenda of change, but use of standardized methods of group facilitation. Internal consultancy became synonymous with these methods with some evidence of resistance to their use across the organization, particularly amongst senior management team.
PhoneCo	Leading global telecommunications company (UK and Australian operations). Establishment of a Six Sigma business improvement group globally and within regional business units.	Leader, Business Improvement; Six Sigma Black Belt; Manager Solutions Delivery; Six Sigma Black Belt; Leader, Culture & Capability; Quality Director.	Focus on standardized methods process improvement via Six Sigma methodology (DMAIC) and internal accreditation of 'Black Belts' and 'Red Belts'. Evidence of internal process innovation leading to further standardization.

Table 3: Reinterpreting the relationship between management innovation and standardization

<i>Relationship</i>	<i>Example</i>	<i>Focus</i>
1. Conflictual	<p>'I think you have to have some degree of a creative brain to do some of these change projects.' (FinCo)</p> <p>'The Six Sigma approach isn't always supported when someone is standing on a burning platform. So if the flames are round their ears and someone says, "Let's just understand that true root cause" they say, "I don't give a shit! I just want to find a bucket of water!"' (CommsCo)</p>	Discourse
2. Supportive	<p>'The one area I think where its improved us is we've standardized. That's where I think we've made probably bigger gains in the last six months.' (FoodCo)</p> <p>'Process consistency is normally given because once you find a best practice, why doesn't everybody do it? It should be the quickest way, it should be the best way in terms of quality.' (MediCo)</p>	Practice
3. Ambivalent	<p>'...it is not like it is new for me, but for some people around the table it was.' (PhoneCo)</p> <p>'So that's [like] a Ferrari car [a metaphor for the new system]. These guys have got data coming out their ears [as a result]... and then what you've got [in HRM] is a... guy running with a sheet of paper behind it.' (BankCo).</p>	Perspective