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The Nature of Management Consultancy Interventions

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Introduction

Management consultants are often criticized for claiming that they can resolve complex organisational problems reliably by using rational, step-by-step procedures that are grounded in "management science" (Fincham, 2002). It is said that they base their work on the contestable assumption that organisations are "things" that are normally in stable states, and that they claim, through their interventions, to transform them into "things" in different, better, stable states.

It is without doubt that certain management consultancy interventions can reliably create organisational change of some sort, even though the implications for organisational performance may be less predictable than is often claimed. Organisational downsizing and delayering, and business process re-engineering, are examples, because they have a direct, structural effect that influences how people behave by changing the number of people who are available to perform particular tasks, by giving some jobholders authority to act that they did not previously have, and by constraining other jobholders from acting where previously they had that discretion. As Cyert and March (1992, p.38) say in developing their behavioural theory of the firm, the allocation of functions in an organisation is like allocating financial resources in the budgeting process; organisation and process structures determine people's discretion to act.

We have learned, however, that in order to intervene in ways that improve organisational performance, management consultants have to do more than change the structures of an organisation. Management scholars have been turning to ancient Greek philosophers for insights into the nature of organisations and approaches to organisational change that produce real performance improvements (Tsoukas and Chia, 2002; Van de Ven and Poole, 2005). The western tradition of giving primacy to substance over process, which is reflected in the hitherto prevalent way of thinking of organisations as "things", originates with Parmenides. Writing in the early fifth century BC, Parmenides argued that change in the universe was a logical impossibility, and that apparent instances of it were tricks of our untrustworthy senses. Later philosophers of the fifth century BC, the atomists Leucippus and Democritus, argued that the universe consisted of atoms of immutable substance that were in constant motion, and that it was the motion of these atoms that led to the possibility of change that Parmenides had denied. Recent management scholarship, however, has drawn upon the earlier ideas of Heraclitus who, writing in the late sixth and early fifth centuries BC, is credited with being the founder of process philosophy (Rescher, 1996). Particular attention has been paid to the assertion that Plato attributed to him, 'all things are in process and nothing stays still' (Kirk et al., 1983, p.195). This line of thought has encouraged a view of organisations as collections of continually changing processes rather than as "things".

Bertrand Russell (1946) makes the point that these earliest of Western philosophers believed that they were making discoveries about the nature of the universe, whereas their successors, including Plato and Aristotle, were more interested in making discoveries about the nature of human beings. Popper (1945, p. 57) suggests that in the earliest western thought, including that of Heraclitus, people did not distinguish clearly between "natural and normative laws". For the ancient Greeks, the term 'justice' primarily referred to the divine order of the universe, but by extension came also to encompass justice in respect of people's behaviour towards each other. Thus, Heraclitus could say that the "sun will not overstep his measures; otherwise the Erinyes, ministers of Justice, will find him out" (Kirk et al., 1983, p. 201). We now know better than this. To say that an organisation is a collection of continually changing processes is not a discovery about the nature of organisations of the same sort that Heraclitus thought he was making about the nature of the universe, but rather is a choice to adopt one metaphor for organisations and organisational change rather than another. Yet, as Giddens (1984, p. xxxv) puts it, social theories "are reflections upon a social reality which they also help to constitute". Organisations are social systems, and they are socially constructed. Adoption of a new metaphor for organisations is not simply a new way of thinking about them; a widely accepted metaphor at least in part comes to constitute the reality of what organisations and organisational change actually are. Effective management consultancy interventions must, of course, influence how people think about the organisations they work in as well as the more tangible aspects of their structures.

MacIntyre (2007) submits that the social sciences cannot contribute lawlike generalisations of the kind that the natural sciences provide, so any claim that 'management science' enables management consultants to deploy rational, scientific procedures that yield predictable and beneficial results is spurious. Indeed, the increasingly accepted Heraclitean notion of organisations as collections of continually changing processes suggests an organisational world of great complexity and unpredictability, in which forces are liable to emerge during periods of apparent stability that may ultimately give rise to episodes of seemingly discontinuous change. This is not a world in which simple, step-by-step management consultancy procedures can be expected to produce predictably beneficial results.

Tsoukas and Cummings (1997) turn to Aristotle for a less rationalistic and mechanistic view of how people can intervene in organisations effectively so as to bring about beneficial change. In the Nicomachean Ethics, Aristotle defines the nature of consultation, making it clear that the intellectual virtue above all others that people who consult need their advisers to have is the virtue of phronesis, a word that is usually translated as "prudence" or "practical wisdom". He says that phronesis is the intellectual virtue that enables people to make good, practical choices as to what they should do in order to attain the outcomes that they ultimately desire. He distinguishes phronesis from sophia, the intellectual virtue that enables you to gain definite, lawlike knowledge. Whereas the young can gain mastery, for example, of mathematics, they cannot possess phronesis, because phronesis can be gained only through experience. While the contribution of social scientific knowledge should not unreasonably be set aside, this suggests that it is experience-based intuition and good judgement that is most needed if management consultancy interventions are to bring about beneficial organisational change. The Heraclitean metaphor of organisations as flux, and the primacy of Aristotelian phronesis as the essential characteristic of consultants, argue for management consultancy interventions that embody flexibility and well-judged improvisation rather than formulation of and adherence to rational, linear project plans. As the distinguished management consultant and Deloitte chief executive Richard Houston put it in a newspaper interview:

"Whatever you do in life, things go wrong. It is as much about how you manage that and navigate the organisation as it is trying to prevent things going wrong in the first place." (Ashton, 2020)

Mintzberg (1989. P. 70) argues that in order to make good judgements "a person has to know a subject deeply, has to have long and intimate experience with it, to be able to deal with it effectively through intuition". A management consultancy intervention is in large measure a venture into territory that is at least in part unpredictable, and the characteristics of flexibility and good, experience-based judgement in responding to uncertainty and surprise are fundamental to its nature. And that depends on phronesis.

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